



## VALUE TRENDS INC.

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May 20, 2007

Ms. Terri L. Fitzpatrick, Director  
Real Estate Division  
Department of Management and Budget  
State of Michigan  
Cass Building - St. Floor  
320 S. Walnut  
Lansing, MI 48909

Re: Appraisal consulting report pertaining to:  
Michigan State Fairground  
SS 8 Mile Road, ES Woodward  
Detroit, Michigan

Dear Ms. Fitzpatrick:

In accordance with your request, Value Trends, Inc. has prepared a summary appraisal for the purpose of identifying the market value of the Michigan State Fairground's underlying land. The function of the appraisal is intended to assist the State of Michigan - Department of Management and Budget in their own decision making relative to the Michigan State Fairgrounds. The fee simple ownership interest has been valued.

Physically, the Michigan State Fairgrounds consists of 161.27<sup>±</sup> acres, net of road and railroad rights-of-way. The subject consists of one large parcel plus two smaller parcels separated by right-of-way. The smaller parcels are separated in such a way that they should be considered stand alone parcels. The large parcel is zoned B-4, General Business and includes 154.32<sup>±</sup> acres, net. The smaller parcels consist of 5.78<sup>±</sup> and 1.17<sup>±</sup> acres, respectively, and are both zoned M-4, Intensive Industrial. Currently, the site is improved with numerous structures and buildings, many of which are listed on the State and/or National Register of historical properties. However, Value Trends has been instructed to value the site as if vacant and available for development. As a result, a Hypothetical Condition has been applied in this instance.

At the request of the client (Michigan Department of Management and Budget), this appraisal has been completed under strict confidentiality. The requirements imposed have prevented a detailed inspection of the improvements located on the appraised site. In addition, in gathering data we have

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not been able to disclose which property we are appraising. As a result, some of the questions we might otherwise have been able to ask, could not be asked in completing this report. By example, it would have been helpful to have had discussions with representatives of the City of Detroit's Planning Department relative to the appraised property. However, because we could not disclose the appraised property, such discussion could not be made.

In estimating the value of the subject, some speculation needed to be made regarding and potential future development of the site. That is, to what future use would the subject be put. The highest and best use analysis of the attached report describes in greater detail the conclusions of this analysis. In summary, it was concluded that approximately 35<sup>+</sup> acres would be utilized for commercial development, with the remainder being utilized for an unspecified allocation of residential and entertainment venue purposes. Excluding the two smaller parcels separated by right-of-ways described above, the site would likely be developed as a Planned Unit Development. The highest and best use of the two smaller parcels has been determined to be for some form of future speculative development.

You have also requested what effect the Historical Designations would have on the land value of the property. Because the real estate and improvements that are the subject of this appraisal are owned by the State of Michigan, it appears that there are no tax credits that have been received in the past that would prohibit demolition of the improvements. As a result, an **Extraordinary Assumption** is made that the subject improvements can be demolished.

Although it appears possible the improvements can be demolished, I also believe that the U.S. Grant House, State Fair Coliseum, Agricultural Building, and Dairy Cattle Building contribute value in excess of the site's underlying land value. This opinion is rendered in light of their historic designations, together with the fact two of the buildings are already leased. To the best of my understanding, the incentive provided by the historic designations is that both the State of Michigan and United States will give 25% tax credits for those repairs and capital improvements made to retain the historic integrity of the improvements.

This letter of transmittal is attached to and accompanied by my appraisal report. The legal description of the subject property will be found on page fifteen (15) of this report, whereas, the property description begins on page fifty-two (52). Both the appraised property and the comparables presented within the cover of the report have been inspected by the appraiser signing this report.

The opinions of value rendered are based on a thorough analysis of the pertinent factors which were considered to impact the subject's valuation. The accompanying report describes, in detail, the methods utilized in the appraisal and contain data gathered during the market investigations.

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This appraisal report is subject to the Restrictions, Certifications, and Limiting Conditions contained in the addendum and all other assumptions which may be stated elsewhere within the report. Furthermore, this report has been prepared in a manner which is intended to comply with the ethics and standards of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice (USPAP).

At this time, we certify that we have no interest in the subject property, past, present, or contemplated. In addition, I certify that neither the fee and/or employment is dependent on the value conclusions set forth in this report.

Based on the analysis conducted, it is my opinion that the market values of the subject, effective April 10, 2007 is as follows:

\$13,000,000

THIRTEEN MILLION DOLLARS

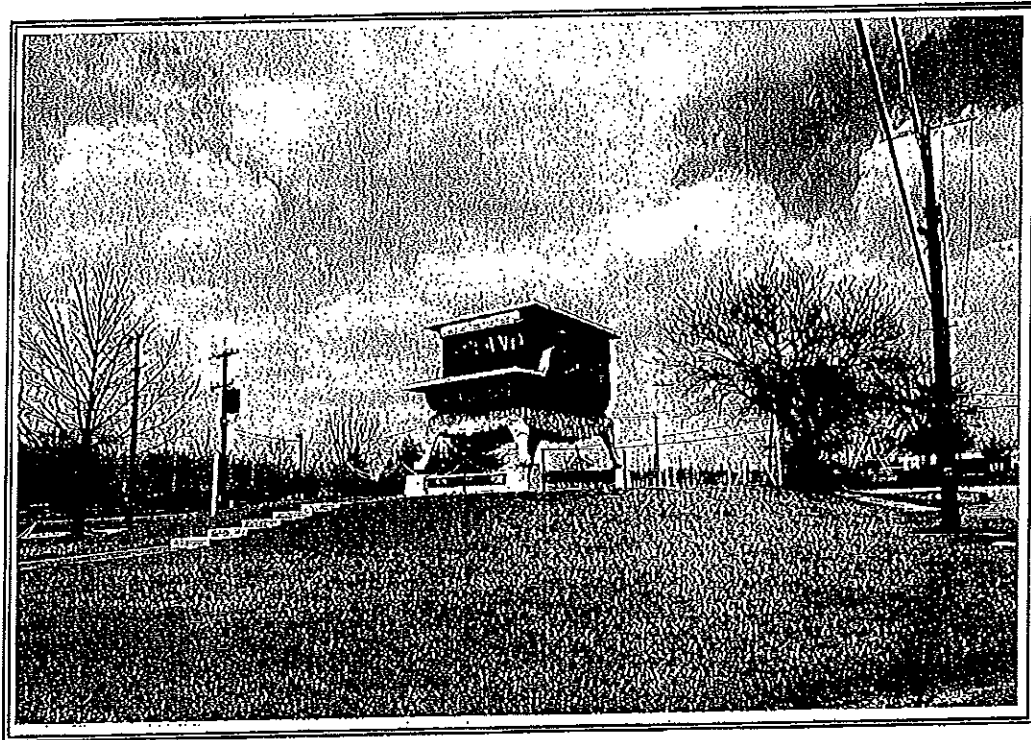
Should you have any further questions regarding this report, please do not hesitate to contact us at (586) 247-7575.

Respectfully Submitted,

VALUE TRENDS, INC.



Michael E. Ellis, MAI  
President



**Michigan State Fairground  
Wraps the SEC of Woodward Avenue & 8 Mile Road  
Detroit, Michigan**

**APPRAISED BY:**

Michael E. Ellis, MAI  
Value Trends, Inc.  
48585 Hayes Road  
Shelby Township, MI 48315

**PREPARED FOR:**

Ms. Terri L. Fitzpatrick, Director  
Real Estate Division  
Department of Management and  
Budget  
State of Michigan  
Cass Building - St. Floor  
320 S. Walnut  
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**PART I:**  
**INTRODUCTION**

### SUMMARY OF SALIENT FACTS

LOCATION:	The subject wraps the southeast corner of 8 Mile Road and Woodward, within the City of Detroit, Wayne County, Michigan.
TYPE OF REPORT:	Summary Report
APPRAISED PROPERTY:	Vacant land
PARCEL #'s:	Ward 01, Item 9845
CURRENT OWNERSHIP:	State of Michigan
INTEREST APPRAISED:	Fee simple interest
APPRAISAL PROBLEM:	To provide an estimate of land value assuming that the property was vacant and available to be put to its highest and best use. In addition, the appraisal assignment also requires that an opinion be rendered as to the effect of the existing improvements located on the site being listed on the State and/or National Register of Historic Properties. The function of the appraisal is intended to assist the Michigan Department of Management and Budget in it's internal decision making regarding the possible marketing and sale of the Michigan State Fair Grounds.
HYPOTHETICAL CONDITION:	In order to complete an appraisal of the land as vacant, a Hypothetical Condition has been incorporated assuming that the site is currently vacant.
EXTRAORDINARY ASSUMPTION:	Currently a lease exists between the State of Michigan and Little Caesars AAA Hockey, wherein the hockey organization is utilizing the State Fair Coliseum. The details of this lease are unknown. A similar lease to Fieldhouse, LLC provided for termination fees should the lease be cancelled prematurely. Since the particulars of the Little Caesars lease are unknown, the extraordinary assumption is made

SUMMARY OF SALIENT FACTS, Continued

that a similar lease clause exist pertaining to the Little Caesars AAA Hockey lease.

In addition to the above, another extraordinary assumption has been made pertaining to demolition of the existing improvements. Although the subject has been appraised as if vacant, various existing improvements currently on the site are list of the State and/or National Register of historical properties. The impact this may have on the ability to demolish the existing improvements is unknown. As a result, an extraordinary assumption has been made assuming these improvement can be demolished and/or relocated.

**HISTORICAL IMPROVEMENTS:**

Several of the improvements located on the subject property are currently listed on the State Register of Historic Sites. These improvements are as follows.

U.S. Grant House (Ulysses S. Grant)  
Michigan State Fair Coliseum  
Michigan State Fair Agricultural Building  
Michigan State Fair Dairy Cattle Building  
Worlds Largest Stove

In addition, the following improvements are included on the National Register of Historic Sites.

Michigan State Fair Coliseum  
Michigan State Fair Agricultural Building  
Michigan State Fair Dairy Cattle Building

**SITE AREA:**

Entire Site

163.25<sup>+</sup> acres  
0.75<sup>+</sup> acres, Railroad easement  
1.23<sup>+</sup> acres, State Fair Avenue right-of-way  
161.27<sup>+</sup> acres, net of right-of-way and railroad

The subject consists of one large parcel plus two smaller parcels separated by right-of-way. The smaller parcels are separated in such a way that they

SUMMARY OF SALIENT FACTS, Continued

	should be considered stand alone parcels.
Parcel 2	5.78 <sup>±</sup> acres, east of railroad corridor
Parcel 1, part of	<u>1.17<sup>±</sup></u> acres, south of State Fair Avenue
Parcel 1, remaining	154.32 <sup>±</sup> acres, large parcel, net
ZONING:	B-4, General Business District, as to the large parcel M-4, Intensive Industrial District, both smaller parcels
HIGHEST AND BEST USE:	Commercial Development
DATE OF VALUATION:	April 10, 2007
VALUE VIA MARKET APPROACH:	
"As if vacant"	\$13,000,000
FINAL VALUE CONCLUSION:	
"As if vacant"	\$13,000,000
MARKETING/EXPOSURE TIME:	6 <sup>±</sup> months

## PURPOSE, FUNCTION, & SCOPE OF THE APPRAISAL

The real estate that is the subject of this assignment pertains to the property commonly known as the Michigan State Fairground, located within the City of Detroit, Michigan. As of the date of valuation and inspections, the subject was owned by the State of Michigan. The date of valuation is April 10, 2007, which was the date during which the primary inspection of the subject site occurred. The purpose of this appraisal assignment is to provide an estimate of the fee simple market value of the subject property as vacant land, and to provide an estimate as to the effect created by those historic properties located on the site. In turn, the function of the appraisal is intended to assist the State of Michigan (property owner) in their own internal decision making relative to the subject property.

At the request of the client (Michigan Department of Management and Budget), this appraisal has been completed under strict confidentiality. The requirements imposed have prevented a detailed inspection of the improvements located on the appraised site. In addition, in gathering data we have not been able to disclose which property we are appraising. As a result, some of the questions we might otherwise have been able to ask, could not be asked in completing this report. By example, it would have been helpful to have had discussions with representatives of the City of Detroit's Planning Department relative to the appraised property. However, because we could not disclose the appraised property, such discussion could not be made.

The subject property is currently improved with several improvements and outbuildings. The buildings vary in age and each of their areas are unknown. Furthermore, the U.S. Grant House, State Fair Coliseum, Agricultural Building, Dairy Cattle building and Worlds Largest Stove are all listed on the State and/or Federal Register of Historic Sites. This said, in order to complete an appraisal of the land as vacant, a Hypothetical Condition has been incorporated assuming that the site is currently vacant. As to the second analysis, the hypothetical condition implies the site is vacant with the exception of those improvements on the site which are currently listed on the State and/or Federal list of historic properties. A Hypothetical Condition is defined in the Standards of Professional Appraisal Practice of the Appraisal Institute, 2006 edition, as follows:

*"That which is contrary to what exists but is supposed for the purpose of analysis.*

*Comment: Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property; such as market conditions or trends; or about the integrity of data used in an analysis".*

Currently a lease appears to exist between the State of Michigan and Little Caesars AAA Hockey, wherein the hockey organization is utilizing the State Fair Coliseum. Value Trends has requested details as to the lease from the Michigan Department of Management and Budget, but this information was not available. Hence, details of the lease are unknown. A similar lease to Fieldhouse, LLC provided for termination fees should the lease be cancelled prematurely. Since the particulars of the Little Caesars lease are unknown, the extraordinary assumption is made that a similar

### PURPOSE, FUNCTION AND SCOPE, Continued

lease clauses exist pertaining to the Little Caesars AAA Hockey lease. If such were the case that termination fees apply, the impact this has upon the property's value to current ownership should be addressed at some point in the future.

In addition to the above, another extraordinary assumption has also been made pertaining to demolition of the existing improvements. Although the subject has been appraised as if vacant, various existing improvements currently on the site are list of the State and/or National Register of historical properties. The impact this may have on the ability to demolish the existing improvements is unknown. As a result, an extraordinary assumption has been made assuming these improvement can be demolished and/or relocated.

An Extraordinary Assumption is defined in the Standards of Professional Appraisal Practice of the Appraisal Institute, 2006 edition, as follows:

*"An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions."*

*Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in the analysis."*

The appraisal problem requires that the fee simple interest in the subject be valued. In order to accomplish this task, we have completed the following steps to gather, confirm, and analyze the data.

- Physically inspected the subject and the surrounding neighborhood.
- A request for data regarding the subject, i.e. ownership, construction, sales history, occupancy, etc., was submitted to the client.
- Collected factual information about the subject and the surrounding market and confirmed that information with various sources.
- Prepared a highest and best use analysis of the subject site as though vacant.
- Collected and confirmed market information needed to consider the three traditional approaches to value: Cost approach, sales comparison approach and income capitalization approach.
- Prepared a summary appraisal report setting forth the conclusion derived in this analysis as well as the information upon which the conclusions are based.

**PURPOSE, FUNCTION AND SCOPE, Continued**

A comprehensive search for comparable sales has been conducted within the local market and beyond. In gathering comparable data, the appraisers have researched municipal records and appraisal files, and discussed market activity with local brokers, owners/managers, lenders, developers, home builders and other appraisers. As a result of these efforts a strong comfort level exists as it relates to the comparable data and current market trends.

This appraisal report has been completed in a manner which is in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP) and Appraisal Standards as required by the Appraisal Institute. The results of the appraisal are provided in a Summary Report. A Summary Appraisal Report is defined as follows: "*A written report prepared under Standards Rule 2-2 (b)*". (Uniform Standards of Professional Appraisal Practice of the Appraisal Standards Board of the Appraisal Foundation, 2006 edition).

### DATE OF VALUE ESTIMATE

The effective date of value for the subject property is April 10, 2007, which represents the date during which the inspection of the subject was made.

### PROPERTY RIGHTS APPRAISED

The interest appraised is the fee simple estate. Fee simple estate is defined in The Dictionary of Real Estate Appraisal, Fourth edition as:

*Absolute ownership unencumbered by any other interest or estate; subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.*

### DEFINITION OF MARKET VALUE

The value concluded in this report reflects the subject's market value. The definition of Market Value is defined by Title XI of the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), and also set forth on page 23 of the book titled The Appraisal of Real Estate, Twelfth Edition, and reads as follows:

Market value is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. A current economic definition agreed upon by agencies that regulate federal financial institutions in the United States of America is:

*The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and passing of title from seller to buyer under conditions whereby:*

- 1. buyer and seller are typically motivated;*
- 2. both parties are well informed or well advised, and acting in what they consider their best interests;*
- 3. a reasonable time is allowed for exposure in the open market;*

**DEFINITION OF MARKET VALUE, Continued**

4. *payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and*
5. *the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*

## INTRODUCTION TO THE APPROACHES TO VALUE

The appraisal process is an orderly program, wherein, the data utilized in estimating the value of the subject property is acquired, classified, analyzed and presented. This first step in this process involves defining the appraisal problem as to the identification of the real estate, effective date of value estimate, identification of the property rights being appraised, and the type of value being sought. Once this has been accomplished, the appraiser embarks upon the collection of data and the analysis of several factors which effect the value of the subject property. Consequently, data is collected with respect to the subject property's neighborhood, site, improvements, highest and best use, and finally, the application of the approaches to value. The three most commonly used approaches are the cost approach, the income approach, and the direct sales comparison approach (also know as the market approach).

The cost approach is based upon the proposition that the informed purchaser would pay no more than the cost of producing a property with the same or similar utility as the subject. In this approach, the subject site is valued as vacant by analyzing the sales of similar sites in the market. The cost of replacing or reproducing the improvements is estimated based on current costs. From this replacement or reproduction cost new, a deduction must be considered for estimated amounts of accrued depreciation or diminished utility. The estimated site value and the depreciated cost of the improvements are then combined to arrive at an indication of value. Evidence for all three components (site value, cost new, depreciation) of the cost approach are ideally extracted from the marketplace.

The direct sales comparison approach is based upon the proposition that an informed purchaser would pay no more for a property than the cost to him of acquiring an existing property with similar utility. This approach involves the analysis and comparison of market transactions, i.e., the prices being paid for similar properties, prices asked by owners, and offers made by prospective purchasers. Adjustments are then made to the sale price of the comparable properties to arrive at an indication of what the subject property might sell or have sold for. The most common units of comparison for fee simple estates are price per acre of gross or net land area or the price paid per square foot of building area. The unit prices of the comparable properties are then adjusted for differences and correlated into an indication of value for the subject.

The income capitalization approach is based upon the assumption that there is a definite relationship between the amount of income a property will earn with respect to its value. A number of appraisal principles form the basis of this approach, with the principle of anticipation being particularly applicable. This principle affirms that a value is created by the expectation of the benefits to be derived in the future. The income capitalization approach is an appraisal technique in which the anticipated income of the subject property is processed in order to arrive at an indication of value. The technique of converting income into value is called capitalization. Capitalization involves a procedure which divides income into value by a rate which inherently considers risk, time, interest on the capital investment and the recapture of the depreciating asset. The appropriateness of this rate is critical, and there are a number of techniques by which it may be developed.

### INTRODUCTION TO APPROACHES TO VALUE, Continued

The final step in the appraisal process is the reconciliation or correlation of the value indications. Here, the appraiser considers the relative applicability of each of the approaches used and the major emphasis and confidence is placed upon the most reliable and supportable conclusions of value. The purpose of the appraisal, the type of property, and the characteristics of the data gathered are all considerations which influence the final indication of value.

All three approaches are based on market data and are implemented when such data is both available and the approach is applicable for the property type appraised. This appraisal includes a valuation of the property assuming the site to be a vacant parcel of land. In addition, the appraisal assignment also requires that an opinion be rendered as to the effect of the existing improvements located on the site being listed on the State and/or National Register of Historic Properties. Due to the appraisal problem requiring that vacant land only be valued, only the Direct Sales Comparison Approach has been utilized to value the subject.

**PART II:**  
**FACTUAL DESCRIPTIONS**

### IDENTIFICATION OF THE PROPERTY

For tax identification purposes, the subject is identified by it's tax identification number(s) Ward 1, Item 9845. The subject is commonly known and referred to as the Michigan State Fairground. The subject's address is as follows.

**Michigan State Fairground  
20110 Woodward Avenue  
Detroit, MI 48203**

### LEGAL DESCRIPTION

The following legal descriptions were provided to Value Trends, Inc. by the client.

#### **Ward 01, Item 9845**

##### *"LEGAL DESCRIPTION - PARCEL 1*

*A parcel of land in the NE ¼, NW ¼ & SE ¼ of Section 2 and the NE ¼ of Section 3, T1S, R11E, City of Detroit, Wayne County, Michigan and more particularly described as commencing at the Northwest corner of said Section 2; thence S01°59'26"E, 33.00 feet to the North line of Germans Montrose Park Subdivision and the south right of way of Eight Mile Road; thence N88°00'34"E, 1,323.68 feet, on the north line of Germans Montrose Subdivision to the Northeast corner of said Subdivision and the Point of Beginning of this description; thence N88°00'34"E, on the south right of way lines of Eight Mile Road, 1,249.15 feet, to the Southwesterly right of way of the Grand Trunk Western Railroad; thence on said right of way on the next five calls; thence S31°13'25"E, 169.96 feet; thence S44°18'21"E, 110.43 feet, thence S31°13'25"E, 2,503.17 feet; thence S01°15'10"E, 40.04 feet; thence S31°13'25"E, 226.77 feet to the centerline of State Fair Avenue and the E-W ¼ line of said Section 2; thence N89°08'56"E, on the E-W ¼ Line, 17.39 feet; thence S31°13'25"E, on the westerly line of the Grand Trunk Western Railroad, 317.18 feet; thence S88°52'19"W, 280.64 feet; thence N01°19'28"W, 275.02 feet to the E-W ¼ line of said Section 2; thence S89°08'56"W, 1,319.94 feet, on said E-W ¼ line and centerline of State Fair Avenue to the center of said Section 2; thence S88°32'46"W, 1,290.77 feet, on said E-W ¼ line and centerline of State Fair Avenue; thence N01°32'55"E, 33.00 feet to the North line of State Fair Avenue; thence S88°32'46"W, 692.91 feet, on the North line of State Fair Avenue to the Northeast right of way line of Woodward Avenue; thence N26°34'10"W, on said Woodward Avenue right of way, 400.14 feet; thence along the boundary of the DNR Pocket Park the following five calls: thence N88°09'24"E, 291.51 feet; thence N00°25'49",*

**LEGAL DESCRIPTION, Continued**

252.35 feet; thence S88°45'56"W, 169.82 feet; thence N01°14'04"W, 13.00 feet; thence S88°25'45"W, 251.61 feet to the Northeast right of way line of Woodward Avenue; thence N26°34'10"W, 1,033.60 feet, on said Woodward Avenue right of way to the southwest corner of lot #24, Plat of State Fair Subdivision #2; thence N88°21'23"E, 1,382.91 feet, on the south line of said State Fair Subdivision #2; thence N01°41'24"W, 1,008.30 feet, on the East line of said State Fair Subdivision #2 & the East line of said Germans Montrose Park Subdivision to the point of beginning, containing 157.47 acres.

**LEGAL DESCRIPTION - PARCEL 2**

A parcel of land in the NE ¼ of Section 2, T1S, R11E, City of Detroit, Wayne County, Michigan; then boundary of said parcel being described as commencing at the North ¼ Corner of Section 2, T1S, R11E, Michigan Meridian; thence N88°00'34"E, along the North Section line, 30.11 feet; thence S31°13'25"E, along the Northeasterly right of way of the Grand Trunk Western Railroad, 1,538.78 feet to the POINT OF BEGINNING; thence N88°05'49"E, 537.23 feet; thence S01°15'10"E, 937.64 feet; thence N31°13'25"W, along said right of way line, 1,075.34 feet to the point of beginning; said parcel contains 5.78 acres."

### OWNERSHIP, OCCUPANCY & SALES HISTORY

The subject property has been operated as the site of the Michigan State Fairgrounds since 1905. However, the property wasn't owned by the State of Michigan until 1921. Since then the State Fair has been held annually at this location with the exception of the time period during World War II. Each year, the State Fair runs for approximately 2 weeks. During the remainder of the year, the site is utilized for non-fair events. In 2007, those non-fair events scheduled include a motorcycle swap meet, the Detroit Gun and Knife Show and a Natural Horseman Seminar. In addition, portions of the State Fairgrounds site are currently leased to both the Fieldhouse, LLC and Little Caesars AAA Hockey.

A portion of the Michigan State Fairgrounds Agricultural Building is leased to Fieldhouse, LLC. This lease was entered into as of April 8, 2004. According to the lease *"Tenant desires to lease from Landlord portions of that property known as the Agricultural Building and the Michigan Mall East...and to obtain a non-exclusive easement for the use of certain driveways and parking areas located on the State Fairgrounds for the purpose of parking and ingress and egress to and from the premises"*. Accordingly, this area encompasses 30,917 square feet.

The term of the lease extends from the commencement date for a period of five (5) years. Subsequently, three (3) five (5) year option periods are available. The State of Michigan has the right to terminate the lease as a result of a sale of the Michigan State Fairgrounds. Such a termination cannot be completed within the first three years of the lease, and the State is subject to termination fees. Termination fees are as indicated in the chart below.

TERMINATION FEE SCHEDULE			
Lease Year	Buyout	Lease Year	Buyout
1 4/104	N/A	11	\$2,800,000
2	N/A	12	\$2,700,000
3	N/A	13	\$2,600,000
4	\$3,500,000	14	\$2,500,000
5	\$3,400,000	15	\$2,400,000
6	\$3,300,000	16	\$2,100,000
7	\$3,200,000	17	\$1,800,000
8	\$3,100,000	18	\$1,500,000
9	\$3,000,000	19	\$1,200,000
10	\$2,900,000	20	\$900,000

### OWNERSHIP, OCCUPANCY & SALES HISTORY, Continued

If the State of Michigan were to attempt to sell the property as of the date of this valuation, the State of Michigan would be obligated to pay the tenant \$3,500,000 as a termination fee, payable either before or on the date of closing of sale of the Fairgrounds. Furthermore, the termination of the lease by the State of Michigan may not occur within less than 12 months of the actual date of closing of sale, unless the tenant elects to terminate this lease having received notice of termination from the State.

During each of the first five (5) years of the lease term, annual rent is scheduled at \$100,000, payable in equal monthly installments of \$8,333.34. During the 1<sup>st</sup> option renewal term of five (5) year, annual rent is also scheduled at \$100,000. During the 2<sup>nd</sup> and 3<sup>rd</sup> renewal terms annual rent is scheduled at \$115,000.

A second lease involving the State of Michigan and Little Caesars AAA Hockey is understood to be currently in effect. The particulars of this lease have not been disclosed to Value Trends. However, it is known that Little Caesars AAA Hockey is utilizing the Michigan State Fair Coliseum as part of this lease. There may, or may not exist another termination clause like that indicated in the Fieldhouse, LLC lease. If such were the case that termination fees apply, the impact this has upon the property's value should be addressed at some point in the future. For the purpose of this analysis, the extraordinary assumption is made that this type lease clause exists pertaining to the Little Caesars AAA Hockey lease.

In both leases identified above, during the time period the Michigan State Fair is being held, the State regains use of the leased lands and premises, with some exceptions.

Not long ago that portion of the fairgrounds site improved with baseball diamonds and related improvements was leased to Softball City. The lease conveying this interest originally dated back to the 1970's. It is Value Trends understanding that Softball City ran into financial difficulties a few years ago. As a result, Softball City abandoned the lease and no longer has any interest in the property.

### AREA, CITY, & NEIGHBORHOOD DATA

Area and city data is gathered by appraisers to analyze the forces which influence both property uses and values in the subject's market area. This investigation is essential because it presents an overview of the economic, social, governmental and environmental influences which affect the subject. Inferences drawn from analyzing this data also assist in forming a basis for determining forms of obsolescence within the market.

### GENERAL AREA

The appraised real estate wraps the southeast corner of Woodward Avenue and 8 Mile Road, within the City of Detroit, Wayne County, Michigan. Furthermore, both the subject and the City of Detroit front the southern boundary of Oakland County. Located in southeast Michigan, Detroit represents the hub, or center, of the Detroit Metropolitan Statistical Area (MSA).

The Detroit MSA is comprised of seven counties including Wayne, Oakland, Macomb, Lapeer, Livingston, St. Clair and Monroe. The majority of development within the State of Michigan has taken place within the Detroit MSA. The Metropolitan Detroit area is primarily comprised of Wayne, Oakland and Macomb counties, with the remaining counties primarily rural in character.

The Detroit MSA comprises approximately forty-nine (49%) percent of the state's population. Historically, population within the MSA has increased over the past twenty five years, with the state also having posted modest growth. During the last two census periods, the metropolitan center has migrated outward from the City of Detroit and its central business district into the surrounding suburbs. This trend has continued into the 2000's and is unlikely to change within the foreseeable future. The Southeast Michigan Council of Governments (SEMCOG) projections indicate that effective February of 2007 the region's population is 4,906,797, with a forecast of 5,408,349 for 2030.

The tri-county (Wayne, Oakland, Macomb) area comprises approximately eighty-four (84%) percent of the MSA's population and represents just over forty (40%) percent of the state's total population. Although the population in Wayne County has steadily fallen, this has been offset with increasing population in other counties of the MSA, particularly the Counties of Oakland and Macomb. Annual growth rates in these two counties have been substantially above the other area growth rates, providing further support that the population has been shifting to the suburban areas of Detroit. Projections indicate a slight reduction in the rate of population loss in Wayne County, with continued positive growth for the remainder of the MSA. As a result, the MSA will remain relatively stable for the foreseeable future.



### GENERAL AREA, CITY, AND NEIGHBORHOOD DATA, Continued

Provided below is a summary relative to historical and future projected population totals. This information has been obtained from the 1990 census and/or SEMCOG statistics.

YEAR	1950	1960	1970	1980	1990
Detroit	1,849,568	1,670,144	1,514,063	1,203,339	1,027,974

YEAR	1994	1996	1999	2000	2010 - Forecast
Detroit	998,273	985,074	965,351	951,270	864,855

The income characteristics of the City of Detroit are well below those of the surrounding counties and communities. According to SEMCOG, 2000 Census statistics indicate that 57% of the households in the city had income levels of \$25,000 or more, compared to 78.1% for Wayne County, excluding the City of Detroit. *Sales and Marketing Management's* 1997 survey of buying power reported a total 1996 effective buying income (EBI) for Detroit of \$10.2 billion. At the time of the 2000 census, the City of Detroit had a median household income of \$29,526. This compares to Oakland, Wayne and Macomb Counties median household incomes of \$61,907, \$40,776 and \$52,102, respectively.

<b>HOUSEHOLD INCOME CHARACTERISTICS</b>				
<b>Detroit and surrounding areas</b>				
Income Bracket	Oakland County	Wayne County	Macomb County	City of Detroit
Under \$25,000	16.5%	31.3%	20.3%	43.5%
\$25,000 to \$49,999	22.9%	27.7%	27.1%	28.2%
\$50,000 to \$74,999	20.6%	18.8%	22.9%	15.0%
\$75,000 to \$99,999	14.7%	10.7%	14.4%	7.0%
\$100,000 or more	25.3%	11.5%	15.4%	6.3%

### GENERAL AREA, CITY, AND NEIGHBORHOOD DATA, Continued

As expected, the city's economy is closely related to the automobile industry. Although Detroit's industrial base has been declining, the City of Detroit has been aggressive in working to retain manufacturing jobs. Two examples of this activity are the "Poletown" Plant of General Motors and Chrysler's "Jefferson Avenue Plant". Both of these projects involve the city acquiring large tracts of land from many private owners, clearing the improvements, and delivering the site ready for development. In addition to the firms major automotive companies, Detroit is home to many large and small manufacturing firms that include suppliers to the automobile and other non-automotive related manufacturing firms. Although the automotive sector was strong between 1998 and 2001, it has been seriously damaged by outsourcing since 2003.

Detroit's economy is dependent upon manufacturing; however, there is also significant emphasis on health care, banking, and utilities. Provided at the top of the following page is a retrospective list of Detroit's fifteen largest employers, ranked by the number of full time employees. The reader should note the heavy reliance upon governmental and utility related jobs. Obviously, it would be more desirable to have higher employment rates from the private sector.

TEN LARGEST EMPLOYERS IN DETROIT			
NO.	EMPLOYER	FULL TIME EMPLOYEES	BUSINESS
1	Detroit Public Schools	19,845	Public school system
2	City of Detroit	17,295	City government
3	Detroit Medical Center	14,044	Health care system
4	Daimler Chrysler AG	13,908	Worldwide automotive
5	U.S. Government	11,851	Federal government
6	General Motors Corp.	8,372	Automotive Manufacturer
7	Henry Ford Health System	8,175	Patient care
8	State of Michigan	7,513	State government
9	St. John Health System	6,190	Health care system
10	Wayne State University	4,714	Michigan public university
11	Wayne County Government	4,504	County government

# **GENERAL AREA, CITY, AND NEIGHBORHOOD DATA, Continued**

NO.	EMPLOYER	FULL TIME EMPLOYEES	BUSINESS
12	American Axel & Manufacturing Inc.	4,441	Automotive manufacturer
13	Detroit Edison Co.	3,147	Electric utility
14	Blue Cross Blue Shield of Michigan	2,780	Nonprofit health care
15	Ameritech Michigan	2,300	Telecommunications

Source: Crain's Detroit Business, 2000 Edition.

Although Detroit is home to a number of major corporations, the City's employment outlook recently has not been particularly good. Recent employment figures published by SEMCOG show a decline in employment from 498,172 in 1980, to 393,858 in 1990, and to 369,675 by year end 1999. This represents a 26% loss in jobs since 1980. SEMCOG has forecast that this trend will continue, however, the rate of decline will be considerably less.

Provided below is a comparison summarizing annual average unemployment rates since the 1990's for the State of Michigan, Detroit MSA, and Detroit.

YEAR	MICHIGAN	DETROIT MSA	DETROIT
1991	9.3%	9.8%	17.9%
1992	9.2%	9.4%	17.3%
1993	7.4%	7.3%	13.6%
1994	6.2%	5.8%	11.2%
1995	5.3%	5.1%	10.1%
1996	4.9%	5.0%	10.0%
1997	4.3%	4.4%	9.0%
1998	4.0%	4.1%	8.4%
1999	3.8%	3.9%	8.1%
2000	3.7%	3.7%	7.3%

**GENERAL AREA, CITY, AND NEIGHBORHOOD DATA, Continued**

YEAR	MICHIGAN	DETROIT MSA	DETROIT
2001	5.2%	5.4%	10.1%
2002	6.2%	6.4%	12.0%
2003	7.1%	7.2%	14.0%
2004	7.0%	7.2%	14.0%
2005	6.8%	7.2%	14.0%
2006	6.9%	7.2%	13.7%
2007	7.5%	7.4%	13.4%

Unemployment rates had been rising since the start of the new millennium. More recent trends indicate the unemployment rate has leveled off and will remain somewhat similar in the short-term future. Historically, unemployment rates have been much higher in the City of Detroit than the Detroit MSA and State as a whole.

**TRANSPORTATION:**

Detroit enjoys good transportation facilities, which provide access to all market areas in the Midwest and northeast sections of the United States, as well as southern Canada. These include an excellent expressway system which criss-crosses the city. Detroit is served by the following freeways: I-75, which runs from Ohio, north and south through Detroit and then northwest through Pontiac, Flint and northern Michigan; I-94, which runs from Port Huron to Detroit and then west to Chicago; I-96, which runs east/west from Detroit to Lansing and points west. In addition, there are several interconnecting secondary freeways that tie the major freeways together and provide an excellent freeway system servicing the metropolitan area.

Rail service to and from Detroit is provided by several major American and Canadian railways. The railways provide both freight and passenger service between Detroit and the other major population and manufacturing centers within the region.

One of Detroit's natural amenities is its location on the Detroit River. From the standpoint of transportation, the Detroit River is one of the world's busiest waterways. The Port of Detroit provides terminals for ocean going ships, as well as lake freighters.

### GENERAL AREA, CITY, AND NEIGHBORHOOD DATA, Continued

Windsor, Ontario, occupies the opposite bank of the Detroit River, directly across from the Detroit central business district. Its metropolitan area of approximately 250,000 people is not included within the Detroit MSA, but its inhabitants flow into the area daily for both jobs and services. The Windsor-Detroit tunnel and Ambassador Bridge are two of the busiest entry points between the U.S. and Canada.

Four major airports serve the Greater Detroit area, providing facilities for transporting commercial freight and passengers. These facilities include Detroit Metropolitan, Detroit City, Willow Run and Oakland-Pontiac Airports. The majority of the regions passenger traffic flows through Metropolitan Airport.

#### LAND USE AND LAND COVERAGE:

SEMCOG has provided data relative to Detroit's Land Use and Land Coverage. The data presented indicated what portion of the community's total land area was dedicated to specific land use types. Further, SEMCOG has provided these figures for years 1990 and 2000. These statistics are shown in the following table.

<b>Land Use and Land Coverage</b>		
<b>Land Use Type</b>	<b>1990</b>	<b>2000</b>
Single-Family	51%	49%
Multiple-Family	5%	4%
Commercial and Office	10%	9%
Institutional	6%	6%
Industrial	9%	8%
Transportation, Communication, and Utility	5%	5%
Cultural, Outdoor Recreation, and Cemetery	7%	8%
Active Agricultural	0%	0%
Grassland and Shrub	0%	0%
Woodland and Wetland	0%	0%

**GENERAL AREA, CITY, AND NEIGHBORHOOD DATA, Continued**

Land Use Type	1990	2000
Extractive and Barren	0%	0%
Water	0%	0%
Under Development	0%	0%
Residential Areas with 25% or more Vacant Land	6%	8%
Vacant Land in Non-Residential Areas	2%	3%
Total Acres	88,875 acres	88,875 acres

**NEIGHBORHOOD DATA:**

The subject itself is regarded as it's own neighborhood. Factors contributing to this determination include the subject's large size, zoning, past and existing use, separation from adjacent properties, and it's system of interior roads servicing the subject site. The neighborhood is accessed from several points along Woodward Avenue, Eight Mile Road, State Fair Avenue, as well as a few other local residential streets. The neighborhood has all utilities available and the topography is generally level to near road grade.

The majority of the neighborhood is zoned B-4, General Business, however those portions of the neighborhood located on the east side of the Railroad corridor and the south side of State Fair Avenue are zoned M-4, Intensive Industrial. Those areas zoned M-4 are separated from the larger portion of the neighborhood by right-of-way corridors.

The neighborhoods northernmost boundary along Eight Mile Road, also marks the boundary between the Counties of Oakland and Wayne. Eight Mile Road is a multiple lane major sectional road, which runs in an east/west direction. Eight Mile Road is generally a commercial corridor. The other major road upon which the neighborhood is located is Woodward Avenue. Woodward Avenue is a multiple lane paved boulevard. Woodward runs in a north northwesterly and/or south southeasterly direction and connects the City of Pontiac with the City of Detroit's Central Business District.

Adjacent properties to the neighborhood consist of a multitude of uses. Amongst those uses include residential subdivisions, industrial buildings, commercial properties and the Woodlawn Cemetery. Of particular importance is the property located at the southeast corner of Woodward and Eight Mile Road. A few years ago the site included several run-down homes. In an effort to clean up the State Fairground area, the state acquired the homes in the area and demolished them.

GENERAL AREA, CITY, AND NEIGHBORHOOD DATA, Continued

More recently, plans have surfaced for a mall which will be known as the Shoppes at Gateway Park. Various publications refer to this development to be, "*a large urban lifestyle development that will include 400,000 square feet of building area and feature a 99-seat children's theater in the middle of the center.*" Other sources indicate that the center will contain 330,000 square feet. In addition, the project is to "*include more than 100 stores and restaurants and 1,400 parking spaces.*" Detroit-based J.L. Dumas Construction will reportedly be the builder, and JLK is the project architect. The mall is anticipated to open in 2009. J.C. Penny Co. Inc., recently signed a letter of intent indicating they planned to fill the planned mall's anchor unit. The mall will be 75 percent owned and managed by General Growth Properties Inc. of Chicago, and will employ an estimated 700 people. Bernie Schrott, a Bloomfield Hills investor is also a part owner and investor of The Shoppes at Gateway Park.

## ZONING

The majority of the subject is currently zoned B-4, General Business District, while those portions on the east side of the Grand Trunk Western Railroad corridor and the south side of State Fair Avenue are currently zoned M-4, Intensive Industrial. Rules and regulations pertaining to these zoning classifications are contained within the City of Detroit's Zoning Ordinance, under Article IX, Division 5 and Article X, Division 5.

### **B-4, General Business District**

The ordinance describes the B-4 District as follows.

*"The B4 General Business District provides for business and commercial uses of a thoroughfare-oriented nature. In addition to these uses, other businesses, which may benefit by drawing part of their clientele from passing traffic are permitted. Additional uses, which may be successfully blended with permitted by-right uses, are conditional."*

Section 61-9-73 of the ordinance begins to list those by-right uses permitted within the B-4, General Business District. These are as follows.

- Boarding school and dormitory
- Child caring institution
- Convalescent, nursing, or rest home
- Lofts, inside the Central Business District
- Religious residential facilities
- Shelter for victims of domestic violence
- Adult day care center
- Armory
- Auditoriums, public
- Child care center

### ZONING, Continued

- Educational institution
- Fire or police station, post office, court house, and similar public building
- Governmental service agency
- Hospital or hospice
- Library
- Museum
- Neighborhood center, nonprofit
- Outdoor recreation facility
- Religious institution
- School, elementary, middle/junior high, or high
- Animal-grooming shop
- Art gallery
- Assembly hall
- Automated Teller Machine not accessory to another use on the same zoning lot, which is stand-alone, without drive-up or drive-through facilities
- Bake shop, retail
- Bank without drive-up or drive-through facilities
- Barber or beauty shop
- Business college or commercial trade school
- Cabaret, inside the Central Business District
- Customer service center without drive-up or drive-through facilities

### ZONING, Continued

- Dance hall, public, inside the Central Business District
- Dry cleaning, laundry, or laundromat
- Establishment for the sale of beer or intoxicating liquor for consumption on the premises, inside the Central Business District
- Greenhouse or nursery with stock for retail sales
- Hotel, inside the Central Business District
- Medical or dental clinic, physical therapy clinic, or massage therapy clinic
- Mortuary or funeral home
- Motor vehicles, new, salesroom or sales lots
- Motor vehicles, new, storage lot accessory to a salesroom or sales lot for new motor vehicles
- Nail salon
- Office, business or professional
- Parking lots or parking areas for operable private passenger vehicles, except as restricted by Sec. 61-12-219 of this Code
- Parking structure
- Pet shop
- Private club, lodge, or similar use
- Radio or television station
- Radio, television, or household appliance repair shop, except such use shall not be permitted on any zoning lot abutting a designated Gateway Radial Thoroughfare
- Recreation, indoor commercial and health club
- Recording studio or photo studio or video studio, no assembly hall

### ZONING, Continued

- Restaurant, carry-out or fast food, where located in a multi-story building and integrated into a mixed use or multi-tenant development, and without drive-up or drive-through facilities
- Restaurant, standard without drive-up or drive-through facilities
- Retail sales and personal service in business and professional offices
- Retail sales and personal service in multiple-residential structures
- School or studio of dance, gymnastics, music, or art
- Shoe repair shop
- Stores of a generally recognized retail nature whose primary business is the sale of new merchandise with or without drive-up or drive-through facilities
- Veterinary clinic for small animals
- Blueprinting shop
- Trade services, general
- Antennas as provided for in ARTICLE XII, DIVISION 3, Subdivision G of this Chapter.
- Marinas
- Railroad right-of-way, not including storage tracks, yards, or buildings
- Signs as provided for in ARTICLE VI of this Chapter

In addition to the previously indicated by-right uses, the ordinance also lists a number of conditional uses, which may be permitted following review and approval by the appropriate legal entity. These are as follows.

- Emergency shelter, except such use shall not be permitted on any zoning lot abutting a designated Gateway Radial Thoroughfare
- Fraternity or sorority house
- Loft, outside the Central Business District

**ZONING, Continued**

- Multiple-family dwelling
- Pre-release adjustment center, except such use shall not be permitted on any zoning lot abutting a designated Gateway Radial Thoroughfare
- Residential substance abuse service facility
- Residential use combined in structures with permitted commercial uses
- Rooming house
- Single-family detached dwelling
- Single-room-occupancy housing, nonprofit
- Town house
- Two-family dwelling
- Electric transformer station
- Gas regulator station
- Outdoor entertainment facility
- Power or heating plant with fuel storage on site
- Substance abuse service facility, except such use shall not be permitted on any zoning lot abutting a designated Gateway Radial Thoroughfare
- Stadium or sports arena
- Telephone exchange building
- Water works, reservoir, pumping station, or filtration plant
- Amusement park
- Arcade
- Automated Teller Machine not accessory to another use on the same zoning lot, which is

**ZONING, Continued**

stand-alone, with drive-up or drive-through facilities

- Bank with drive-up or drive-through facilities
- Bed and breakfast inn
- Brewpub or microbrewery
- Cabaret, outside the Central Business District
- Customer service center with drive-up or drive-through facilities
- Dance hall, public, outside the Central Business District
- Employee recruitment center
- Establishment for the sale of beer or intoxicating liquor for consumption on the premises, outside the Central Business District
- Financial services center
- Firearms dealership
- Firearms target practice range, indoor
- Food stamp distribution center
- Go-cart track, except such use shall not be permitted on any zoning lot abutting a designated Gateway Radial Thoroughfare
- Golf course, miniature
- Hotel, outside the Central Business District
- Kennel, commercial
- Lodging house, public
- Motel
- Motor vehicle filling station

### ZONING, Continued

- Motor vehicles, used, salesroom or sales lot, except such use shall not be permitted on any zoning lot abutting a designated Gateway Radial Thoroughfare
- Motor vehicles, used, storage lot accessory to a salesroom or sales lot for used motor vehicles, except such use shall not be permitted on any zoning lot abutting a designated Gateway Radial Thoroughfare
- Motor vehicle services, major, except such use shall not be permitted on any zoning lot abutting a designated Gateway Radial Thoroughfare
- Motor vehicle services, minor
- Motor vehicle washing and steam cleaning, except such use shall not be permitted on any zoning lot abutting a designated Gateway Radial Thoroughfare
- Motorcycles, retail sales, rental or service
- Outdoor commercial recreation, not otherwise specified
- Parking lots or parking areas for operable private passenger vehicles, as restricted by Sec. 61-12-219(9)(e) of this Code
- Pawnshop, except such use shall not be permitted on any zoning lot abutting a designated Gateway Radial Thoroughfare
- Plasma donation center, except such use shall not be permitted on any zoning lot abutting a designated Gateway Radial Thoroughfare
- Pool or billiard hall
- Printing or engraving shops
- Public lodging house
- Rebound tumbling center, except such use shall not be permitted on any zoning lot abutting a designated Gateway Radial Thoroughfare
- Rental hall
- Restaurant, carry-out or fast-food, with or without drive-up or drive-through facilities, except such use shall be prohibited on any zoning lot abutting the Woodward Avenue Gateway

### ZONING, Continued

Radial Thoroughfare where there is drive-up or drive-through facilities or where not located in a multi-story building having a mixed-use or multi-tenant development

- Restaurant, standard, with drive-up or drive-through facilities, except such use having drive-up or drive-through facilities shall not be permitted on any zoning lot abutting the Woodward Avenue Gateway Radial Thoroughfare
- Secondhand stores and secondhand jewelry stores, except such use shall not be permitted on any zoning lot abutting a designated Gateway Radial Thoroughfare
- Specially designated distributor's (SDD) or specially designated merchant's (SDM) establishment
- Tattoo and/or piercing parlor, except such use shall not be permitted on any zoning lot abutting a designated Gateway Radial Thoroughfare
- Taxicab dispatch and/or storage, except such use shall not be permitted on any zoning lot abutting a designated Gateway Radial Thoroughfare
- Theater and concert café, excluding drive-in theaters
- Trailer coaches or boat sale or rental, open air display, except such use shall not be permitted on any zoning lot abutting a designated Gateway Radial Thoroughfare
- Trailers, utility, or cement mixers, pneumatic-tired, sales, rental or service; moving truck/trailer rental lots
- Confection manufacture, except such use shall not be permitted on any zoning lot abutting a designated Gateway Radial Thoroughfare
- Dental products, surgical, or optical goods manufacture, except such use shall not be permitted on any zoning lot abutting a designated Gateway Radial Thoroughfare
- Food catering establishment
- Ice manufacture, except such use shall not be permitted on any zoning lot abutting a designated Gateway Radial Thoroughfare
- Jewelry manufacture, except such use shall not be permitted on any zoning lot abutting a designated Gateway Radial Thoroughfare

### ZONING, Continued

- Lithographing, except such use shall not be permitted on any zoning lot abutting a designated Gateway Radial Thoroughfare
- Research or testing laboratory
- Toilettries or cosmetic manufacturing, except such use shall not be permitted on any zoning lot abutting a designated Gateway Radial Thoroughfare
- Tool, die, and gauge manufacturing, small items, except such use shall not be permitted on any zoning lot abutting a designated Gateway Radial Thoroughfare
- Vending machine commissary, except such use shall not be permitted on any zoning lot abutting a designated Gateway Radial Thoroughfare
- Wearing apparel manufacturing, except such use shall not be permitted on any zoning lot abutting a designated Gateway Radial Thoroughfare
- Wholesaling, warehousing, storage buildings, or public storage houses, except excluding Gratiot Avenue, such use shall not be permitted on any zoning lot abutting a designated Gateway Radial Thoroughfare
- Antennas as provided for in ARTICLE XII, DIVISION 3, Subdivision G of this Chapter.
- Signs as provided for in ARTICLE VI of this Chapter.
- Telecommunications building, private

Area, height and placement regulations pertaining to the B-4, General Business District are listed under Article XIII, Section 61-13-25 of the City of Detroit's zoning ordinance. A few of the permitted land uses have specific limitations as to that use, whereas the majority fall under the "all other uses" category. These regulations are as follows.

**ZONING, Continued**

<b>B-4 GENERAL BUSINESS DISTRICT</b>	
<b>USE</b>	<b>REQUIREMENT</b>
Fraternity or Sorority Houses	Minimum Lot Area - 7,000 square feet Minimum Lot Width - 70 feet Front Setback - 20 feet Side Setback <sup>1</sup> - Formula A Rear Setback - 30 feet Maximum Height - 35 feet
Libraries or Museums	Minimum Lot Area - 10,000 square feet Minimum Lot Width - 70 feet Front Setback - 20 feet Side Setback <sup>2</sup> - Formula B Rear Setback - 30 feet Maximum Height - 35 feet
Motel or Hotels	Minimum Lot Area - 7,000 square feet Minimum Lot Width - 70 feet Front Setback - 20 feet Side Setback - Formula A Rear Setback - 30 feet Maximum Height - 35 feet
Multiple-family dwellings	Minimum Lot Area - 7,000 square feet Minimum Lot Width - 70 feet Front Setback - 20 feet Side Setback - Formula A Rear Setback - 30 feet Maximum FAR - 2.0
Motor vehicle, used; salesroom or sales lot	Minimum Lot Area - 2,400 square feet Minimum Lot Width - 30 feet Maximum Height - 35 feet

<sup>1</sup> Determined by the following formula, designated in the Ordinance as Formula A. Formula A = Length (feet) + 2 (height) / 15.

<sup>2</sup> Determined by the following formula, designated in the Ordinance as Formula B. Formula B = Length (feet) + 2 (height) / 6.

**ZONING, Continued**

USE	REQUIREMENT
Motor vehicle filling station	Minimum Lot Area - various Minimum Lot Width - various Setbacks - various Maximum Height - 35 feet Maximum Lot Coverage - 40%
Religious institutions	Minimum Lot Area - 10,000 square feet Minimum Lot Width - 70 feet Front Setback - 20 feet Side Setback - Formula B Rear Setback - 30 feet Maximum Height - 35 feet
Single family dwellings; Religious residential facilities	Minimum Lot Area - 5,000 square feet Minimum Lot Width - 50 feet Front Setback - 20 feet Side Setback - 14 feet combined Rear Setback - 30 feet Maximum Height - 35 feet
Two family dwellings	Minimum Lot Area - 6,000 square feet Minimum Lot Width - 55 feet Front Setback - 20 feet Side Setback - Formula A Rear Setback - 30 feet Maximum Height - 35 feet
Townhouses	Minimum Lot Area - 7,000 square feet Minimum Lot Width - 70 feet Front Setback - 20 feet Side Setback - Formula A Rear Setback - 30 feet Maximum Height - 35 feet
All other residential and public, civic and institutional uses	Minimum Lot Area - 7,000 square feet Minimum Lot Width - 70 feet Front Setback - 20 feet Side Setback - Formula B Rear Setback - 30 feet Maximum Height - 35 feet

### ZONING, Continued

USE	REQUIREMENT
Motor vehicle washing and steam cleaning	Maximum Lot Area - 10,000 square feet Maximum Height - 35 feet
All other uses	Maximum Height - 35 feet

### **M-4, Intensive Industrial**

The ordinance describes the M-4 District as follows.

*"This district will permit uses which are usually objectionable and, therefore, the district is rarely, if ever, located adjacent to residential districts. A broad range of uses is permitted in this district. New residences are prohibited with the exception of loft conversions of existing buildings and of residential uses combined in structures with permitted commercial uses. These requirements are to protect residences from an undesirable environment and to ensure reservation of adequate areas for industrial development."*

Section 61-10-73 of the ordinance begins to list those by-right uses permitted within the M-4, Intensive Industrial District. These are as follows.

- Armory
- Electric transformer station
- Fire or police station, post office, court house, and similar public building
- Gas regulator station
- Governmental service agency
- Power or heating plant with fuel storage on site
- Steam generating plant
- Telephone exchange building

### ZONING, Continued

- Water works, reservoir, pumping station, or filtration plant
- Animal-grooming shop
- Arcade
- Art gallery
- Assembly hall
- Automated Teller Machine not accessory to another use on the same zoning lot, which is stand-alone
- Bake shop, retail
- Bank
- Barber or beauty shop
- Brewpub or microbrewery
- Business college or commercial trade school
- Customer service center
- Dry cleaning, laundry, or laundromat
- Employee recruitment center
- Financial services center
- Food stamp distribution center
- Go-cart track
- Golf course, miniature
- Greenhouse or nursery with stock for retail sales
- Kennel, commercial

### **ZONING, Continued**

- Medical or dental clinic, physical therapy clinic, or massage therapy clinic
- Mortuary or funeral home
- Motor vehicle filling station as provided for in Sec. 61-12-182(2) of this Code
- Motor vehicle services, minor
- Motor vehicle washing and steam cleaning
- Motor vehicles, new or used, salesroom or sales lot
- Motor vehicles, new, storage lot accessory to a salesroom or sales lot for new motor vehicles
- Motorcycles, retail sales, rental or service
- Nail salon
- Office, business or professional
- Parking lots or parking areas for operable private passenger vehicles
- Parking structure
- Pet shop
- Pool or billiard hall
- Printing or engraving shops
- Private club, lodge, or similar use
- Produce or food markets, wholesale
- Radio or television station
- Radio, television, or household appliance repair shop
- Rebound tumbling center
- Recording studio or photo studio or video studio, no assembly hall

### ZONING, Continued

- Recreation, indoor commercial and health club
- Rental hall
- Restaurant, carry-out or fast-food with or without drive-up or drive-through facilities
- Restaurant, standard
- Retail sales and personal service in business and professional offices
- School or studio of dance, gymnastics, music, or art
- Shoe repair shop
- Stores of a generally recognized retail nature whose primary business is the sale of new merchandise
- Tattoo and/or piercing parlor
- Taxicab dispatch and/or storage facility
- Theater and concert cafe, excluding drive-in theaters
- Trailer coaches or boat sale or rental, open air display
- Trailers, utility, or cement mixers, pneumatic-tired, sales, rental or service; moving truck/trailer rental lots
- Veterinary clinic for small animals
- Bailing of waste paper or rags
- Blueprinting shop
- Boiler repairing
- Chemical materials blending or compounding but not involving chemicals manufacturing
- Cold storage plant
- Confection manufacture

### ZONING, Continued

- Construction equipment, agricultural implements, and other heavy equipment repair or service
- Containerized freight yard
- Dental products, surgical, or optical goods manufacture
- Elevators, grain
- Feed or grain mill
- Food catering establishment
- General: High/medium-impact manufacturing or processing as defined in Sec. 61-16-102 of this Code
- General: High-impact manufacturing or processing as defined in Sec. 61-16-102 of this Code.
- General: Low/medium-impact manufacturing or processing as defined in Sec. 61-16-124 of this Code
- General: Low-impact manufacturing or processing as defined in Sec. 61-16-124 of this Code
- Greenhouse or nursery, wholesale sales only, including landscape contractors
- Ice manufacture
- Jewelry manufacture
- Laundry, industrial
- Lithographing and sign shops
- Lumber yard
- Machine shop
- Newspaper, daily, publishing or printing
- Outdoor operations of permitted land uses specified in the Manufacturing and Production use category, Sec. 61-12-62 of this Code, and as specified in the Warehouse and Freight Movement use category, Sec. 61-12-63 of this Code

### ZONING, Continued

- Outdoor storage yards
- Railroad transfer or storage tracks
- Research or testing laboratory
- Sewage disposal plant
- Steel warehousing
- Tank storage of bulk oil or gasoline
- Toiletries or cosmetic manufacturing
- Tool sharpening or grinding
- Tool, die, and gauge manufacturing, small items
- Trade services, general
- Trucking terminals, transfer buildings, truck garages, recreational vehicle storage lots, and open areas for the parking of operable trucks
- Vending machine commissary
- Wearing apparel manufacturing
- Welding shops
- Wholesaling, warehousing, storage buildings, or public storage houses
- Aircraft landing areas for winged aircraft
- Antennas as provided for in ARTICLE XII, DIVISION 3, Subdivision G of this Chapter.
- Boat or ship yard, construction, repair, maintenance, dry dock
- Boat terminal, passenger
- Docks, waterway shipping/freighters

### ZONING, Continued

- Marinas
- Passenger transportation terminal
- Railroad right-of-way, not including storage tracks, yards, or buildings
- Signs as provided for in ARTICLE VI of this Chapter.
- Telecommunications building, private

In addition to the previously indicated by-right uses, the ordinance also lists a number of conditional uses, which may be permitted following review and approval by the appropriate legal entity. These are as follows.

- Lofts
- Residential use combined in structures with permitted commercial uses
- Auditoriums, public
- Library
- Museum
- Neighborhood center, nonprofit
- Outdoor entertainment facility
- Outdoor recreation facility
- Race track, motor vehicle
- Religious institution
- Stadium or sports arena
- Substance abuse service facility
- Adult cabaret, adult personal service establishment, adult physical culture establishment, adult supply store, adult theater

### ZONING, Continued

- Amusement park
- Cabaret
- Dance hall, public
- Drive-in theater
- Establishment for the sale of beer or intoxicating liquor for consumption on the premises
- Firearms dealership
- Firearms target practice range, indoor
- Fireworks, sales
- Motor vehicle filling station other than as provided for in Sec. 61-12-182(2) of this Code
- Motor vehicle services, major
- Motor vehicles, used, storage lot accessory to a salesroom or sales lot for used motor vehicles
- Outdoor commercial recreation, not otherwise specified
- Pawnshop
- Plasma donation center
- Secondhand stores and secondhand jewelry stores
- Specially designated distributor's (SDD) or specially designated merchant's (SDM) establishment
- Abattoir, slaughter house
- Explosives storage
- Garbage, offal, or dead animal reduction
- General: Very high-impact manufacturing or processing as defined in Sec. 61-16-201 of this Code

### ZONING, Continued

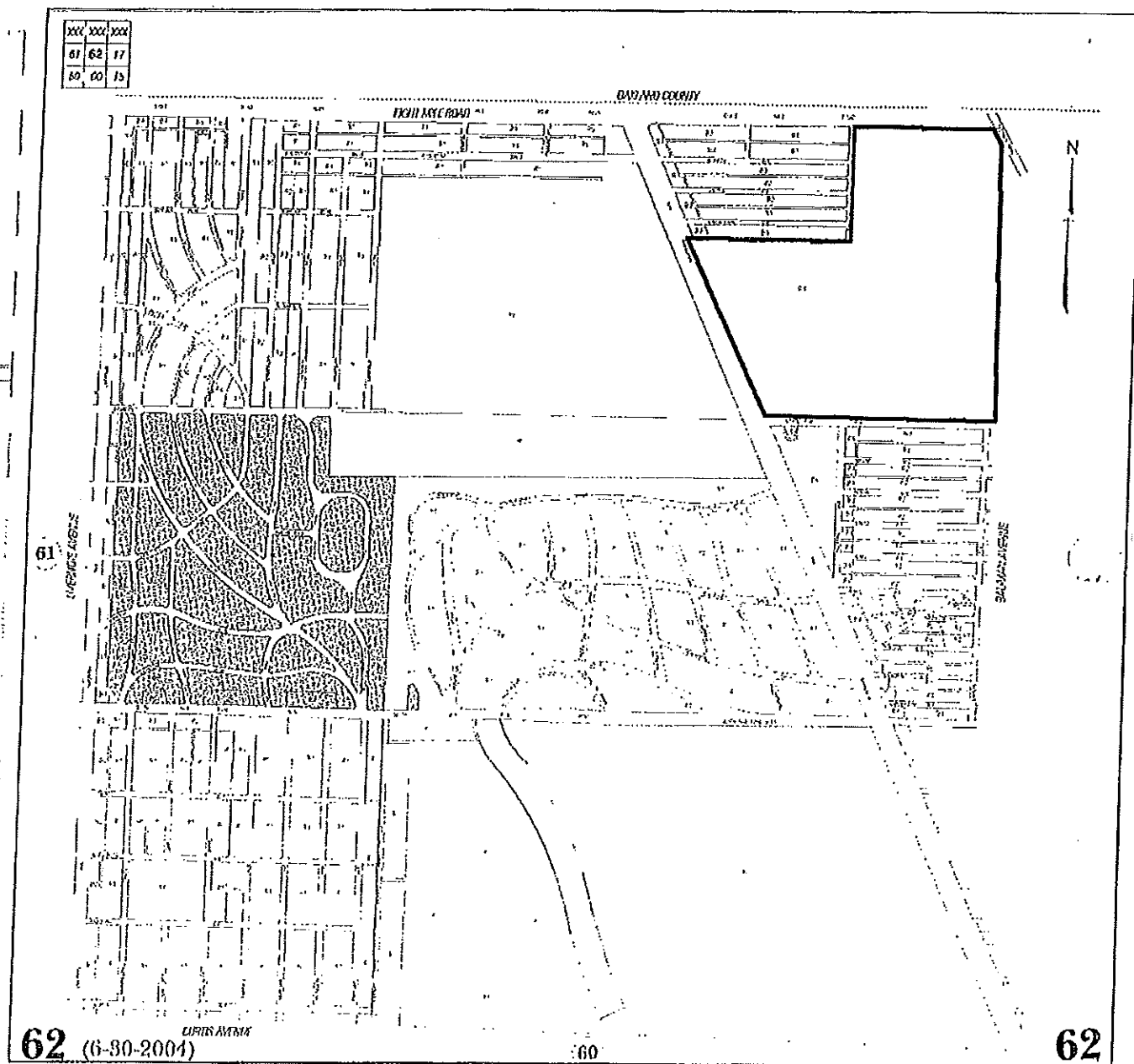
- Hazardous waste facility
- Incinerator plant
- Intermodal freight terminal
- Junkyard
- Outdoor operations of permitted land uses specified in the Manufacturing and Production use category, Sec. 61-12-62 of this Code, and as specified in the Warehouse and Freight Movement use category, Sec. 61-12-63 of this Code
- Police department authorized abandoned vehicle yards
- Radioactive waste handling
- Recycling center
- Rendering plant
- Salt works
- Scrap tire storage, processing, or recycling facility
- Tires, used, sales and/or service
- Towing service storage yard
- Transfer station for garbage, refuse, or rubbish
- Truck stop
- Used auto parts sales
- Waste/scrap materials: indoor storage, handling, transfer
- Ferry terminal
- Heliports
- Signs as provided for in ARTICLE VI of this Chapter

### ZONING, Continued

• Signs as provided for in ARTICLE VI of this Chapter  
Area, height and placement regulations pertaining to the M-4, Intensive Industrial District are listed under Article XIII, Section 61-13-46 of the City of Detroit's zoning ordinance. A few of the permitted land uses have specific limitations as to that use, whereas the majority fall under the "all other uses" category. These regulations are as follows.

<b>M-4, INTENSIVE INDUSTRIAL DISTRICT</b>	
<b>USE</b>	<b>REQUIREMENT</b>
Junkyard	Minimum Lot Area - 2 acres Front Setback - 20 feet Side Setback - 20 feet Rear Setback - 20 feet Maximum Height - 35 feet
Motor vehicle filling station	Minimum Lot Area - various Minimum Lot Width - various Setbacks - various Maximum Height - 35 feet Maximum Lot Coverage - 40%
Motor vehicle, used: salesroom or sales lot	Minimum Lot Area - 2,400 square feet Minimum Lot Width - 30 feet Maximum Height - 80 feet
Transfer Stations	Front Setback - 20 feet Side Setback - 20 feet Rear Setback - 20 feet Maximum Height - 35 feet
All other uses	Maximum Height - 80 feet

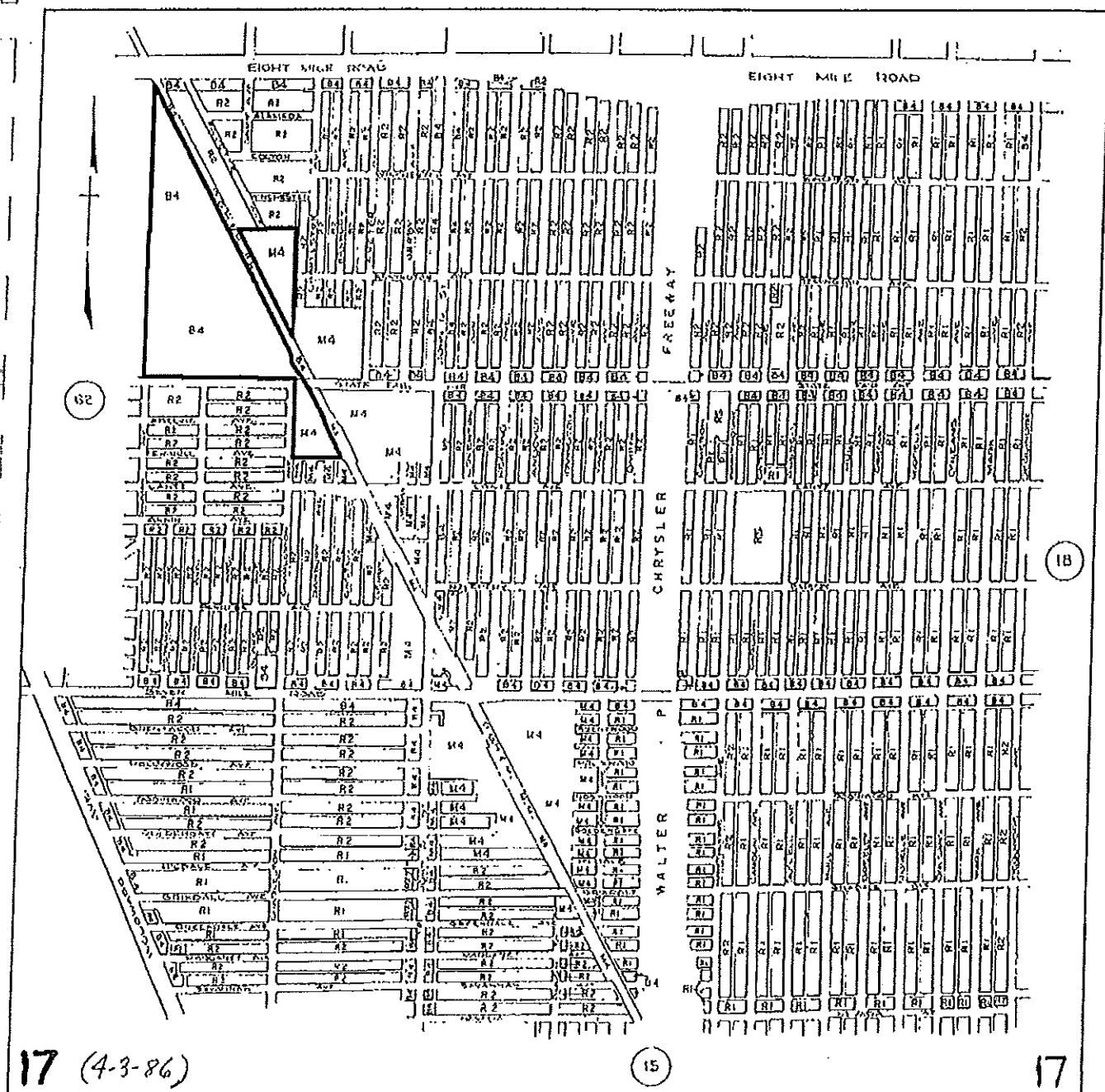
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## ASSESSED VALUATION & TAXES

The subject is located in the City of Detroit, within the Detroit Community School District. Due to the subject property being owned by the State of Michigan, the subject is a tax exempt property. As a result, no taxes history is available for the subject. For identification and tax purposes, the subject is known by the following tax identification number.

### **Ward 1, Item 9845**

Real property taxes in the State of Michigan are predicated on 50% of true cash value (i.e., market value set by the assessor). Local property assessments are subject to review by their respective board of equalization, which through appropriate factors, attempts to make assessing practices more uniform throughout the region. In addition, the equalization procedure in each community is subject to further review by a State Equalization Board. Appertaining to property taxes in the State of Michigan, the following definitions apply:

<b>Assessed Value (AV):</b>	50% of the property's cash value (i.e., theoretically equivalent to a property's market value) as determined by the assessor.
<b>Capped Value (CV):</b>	prior year's taxable value inflated at the lesser of a state mandated inflation factor (i.e., as adopted by Proposal "A") or the assessor's inflation factor; over the past seven years, the state mandated inflation factors were 1.9%, 3.2%, 3.2%, 1.5%, 2.3%, 2.3%, 3.3%, and 3.7% respectively <sup>3</sup> .
<b>Taxable Value (TV):</b>	the lesser of assessed and capped values; if a property is sold in a market transaction, the taxable value is uncapped in the following year. Typically, the uncapped value will not exceed the assessed value.
<b>Millage Rate:</b>	the total levy, stated in terms of dollars per \$1,000 of taxable value; non-homestead millage applies for non-owner occupied residential or agricultural property; since the adoption of Proposal A in 1994; the non-homestead millage for the Detroit School District in this location within Detroit has increased over the last decade. Based on estimations from a combination of tax receipts and city records, the millage rate was as low as 74.7742 in 1999, and reached a high of 86.9484 in 2006.

Assuming a sale price in the range of \$13,000,000, a projected taxes will approximate \$565,000, annually.

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<sup>3</sup> For consecutive years 2000 through 2007.

## DESCRIPTION OF PROPERTY

### SITE DESCRIPTION:

Land or site descriptions are used as a basis for analyzing comparable sales as well as for allocating values between the land and improvements. Furthermore, this analysis forms a foundation for determining the property's highest and best use. The description of the site lays the groundwork for analyzing the physically possible uses of the site. Factors including the size, configuration and topography of a parcel can affect the uses which can be developed on a site. In addition, certain uses may not be possible if public utilities and soil conditions restrict the development of the parcel.

The following pages summarize the details of the subject site. A site sketch is provided at the end of this section of the appraisal report.

### LOCATION:

The subject is located on the south side of 8 Mile Road and the east side of Woodward Avenue, within the City of Detroit, Wayne County, Michigan.

### SITE SIZE:

#### Entire Site

163.25<sup>±</sup> acres, gross  
0.75<sup>±</sup> acres, Railroad easement  
1.23<sup>±</sup> acres, State Fair Avenue right-of-way  
161.27<sup>±</sup> acres, net of right-of-way

The subject consists of one large parcel plus two smaller parcels separated by right-of-way. The smaller parcels are separated in such a way that they should be considered stand alone parcels.

#### Parcel 2

5.78<sup>±</sup> acres, east of railroad corridor

#### Parcel 1, part of

1.17<sup>±</sup> acres, south of State Fair Avenue

#### Parcel 1, remaining

154.32<sup>±</sup> acres, large parcel, net

### FRONTAGE:

According to the legal description provided, the Michigan State Fairgrounds has 1,433.74 feet of frontage along the east side of Woodward Avenue, and 1,249.15 feet of frontage along the south side of 8 Mile Road. The site has additional frontage along local streets including State Fair Avenue, Remington Street and Fayette. The site also has 3,384.94' feet of frontage along the western side of the Grand Trunk Western Railroad and 1,075.34' feet along the eastern side, all according to the legal description provided within this report.

### DESCRIPTION OF PROPERTY, Continued

**SITE DIMENSIONS:** Irregular shaped parcel which wraps the southeast corner of 8 Mile Road and Woodward Avenue.

For a visual description of the site and it's dimensions, refer to the photographs and sketches section of this report, which follows this property description.

**STREET TYPE/SIZE:** In this location Woodward Avenue is a 204' wide paved boulevard with multiple lanes of traffic. Eight Mile Road is a major sectional road. The subject also has frontage along State Fair Avenue, which is a local 66' wide 2-lane paved residential street.

**ACCESS:** Access to the subject is available from multiple locations along Eight Mile Road, Woodward Avenue, and State Fair Avenue. Due to the configuration of the property, some portions of the site are separated from others.

A 5.78 acre portion of the property is located on the eastern side of the Grand Trunk Western Railroad. This portion of the site is only accessible from local residential road in this location, which include Fayette and Remington Avenues.

Another portion of the site separated from the rest is located at the southwest corner of the intersection of State Fair Avenue and the Grand Trunk Western Railroad corridor. It appears that this portion of the site consists of a little over one (1) acre. This portion of the site is only accessible from local Charleston Avenue.

**TOPOGRAPHY:** Overall, the site is level and near road grade.

**DRAINAGE:** Appears to be adequate. No known problems disclosed or known.

**FLOOD ZONE:** The City of Detroit is a participant in the Federal Emergency Management Agency's list of communities participating in the National Flood Insurance Program. According to the Flood Insurance Rate Map (Community-Panel Number 260222 0010B, dated April 17, 1984), the subject property is located within Zone-C, which is not a designated 100-year flood plain area.

**WETLANDS:** None known.

**DESCRIPTION OF PROPERTY, Continued**

**UTILITIES:** All utilities are available.

**EASEMENTS:** Based on the legal description and title history provided, it appears that a portion of the subject property is currently encumbered by right-of-way easement for State Fair Avenue. This area has been calculated to be approximately 1.23<sup>±</sup> acres.

Two easements in favor of the City of Detroit pertaining to sanitary sewer lines, run parallel in a northerly direction and bisect the property. One of the easements is 15 feet wide, the other appears to be approximately 20 feet wide.

Finally, there appear to be easements encumbering a small portion of the subject eastern boundary along the railroad right-of-way in favor of the railroad. The exact area attributed to these easements is unknown, however based on a sketch of the site appears to be less than one (1) acre. An estimated 0.75<sup>±</sup> acres has been deducted from the sites gross area to account for these railroad easements on the subject property.

**ENCROACHMENTS:** None known. However, a survey has not been completed to determine this.

**FUNCTIONAL UTILITY:** The larger portion of the site, being west of the Grand Trunk Western Railroad corridor and north of State Fair Avenue, is by itself a functional site. However, the subject in it's entirety including the parcel on the east side of the railroad corridor and the other on the south side of State Fair Avenue, suffers from functional obsolescence resulting from a lack of easy access from the other portions of the site. As a result, the parcels on the east side of the railroad and the south side of State Fair Avenue, should be regarded as individual sites. As discussed above, the parcel on the east side of the railroad corridor consists of 5.78 acres, while the parcel on the south side of State Fair Avenue contains just approximately 1.17<sup>±</sup> acres.

## DESCRIPTION OF PROPERTY, Continued

### BUILDING DESCRIPTION

The complete description of the building improvements relates to highest and best use analysis as well as the three approaches to value. In determining highest and best use, the building description assists in indicating whether or not the subject improvements conform to the highest and best use of the land as if vacant. If not, other uses of the site may likely need to be identified. Secondly, a complete building description addresses the functional utility of the improvements. The analysis of the subject's utility helps lay a basis for determining functional obsolescence which may be used within the three approaches to value. Finally, the analysis of the subject's physical condition assists in estimating physical deterioration in the cost approach, adjustments for condition in the sales comparison approach, and income and expense estimates in the income capitalization approach.

Each of the improvements described below are listed on the State and/or Federal Register of Historic Sites and/or Buildings. The Agricultural Building, Coliseum, and Dairy Cattle Building were all reportedly built between 1922 and 1926. The actual age of the U.S. Grant house is unknown to Value Trends, however, it is known that Ulysses S. Grant lived in this home at a different location between 1849 and 1851. The Worlds Largest Stove, built by the Michigan Stove Company, was originally constructed for the 1893 Worlds Fair in Chicago. In 1998, the Stove was taken out of storage, restored and repaired and placed on the Michigan State Fairgrounds site. The State Fairgrounds site itself is State Register listed as a historic site. The State Fairgrounds site ID# is P25275.

Due to the confidential nature of this appraisal assignment, The Michigan State Fair Building and Infrastructure Assessment, prepared as of September 11, 2006 as well as the State's historic sites web page, provide the best description of these improvements. This description and assessment of those improvements is as follows below.

## **Agricultural Building**

### **Narrative Description:**

- A Neo-Classical Revival inspired, white stuccoed building with high red brick foundation.

### **Registry Type:**

- 06/06/1980 National Register listed

### **Site ID#:**

- P25176

### **Building Utilization:**

- Used extensively as a privately operated youth recreation center; basketball courts, etc.

## DESCRIPTION OF PROPERTY, Continued

- Also used for vendor / exhibit space during the State Fair.

### Physical Assessment:

- Structurally sound older building. Condition of the roof is unknown. No roof leaks were apparent. Door and windows are old and in poor condition. Restrooms are outdated.
- Insulation in high vaulted roof is questionable. Good opportunity for energy savings.
- Tenant renovated the interior for use as a recreation center. Good aesthetic improvements.

### Utilities Systems Assessment:

#### Mechanical:

- Heating is primarily provided by ten old style gas-fired unit heaters distributed throughout. Although they are probably adequate, system upgrades should be considered for improvements in efficiency and comfort. Adding air conditioning would probably increase the buildings lease value.
- Ventilation in main court area is provided by two gable end wall fans to the north with two intake louvers on the south gable end. Although probably adequate to meet ventilation requirements, significant improvements in efficiency and performance can be made.
- Neither the boys or girls locker room areas appear to have any type of ventilation. The mechanical code requires a significant volume of exhaust air for these type of locker/bath room applications.
- The entire buildings HVAC system should be considered for replacement and upgrade. Significant gains in efficiency and performance could be made while bringing it into current code compliance.
- Both locker/bath rooms are in poor condition; galvanized water piping, obsolete fixtures in disrepair, inadequate ADA stalls, poor heating, no ventilation, etc.

#### Electrical:

- Emergency and exit lighting is adequate and appropriate.
- General overhead lighting is good. Lighting distribution system seems adequate.
- Some upgrades have been made but building still has some outdated electrical components.

#### Building Controls:

- Limited and older, apparently functional. No alarm system.

### Adequacy of Utilities and Infrastructure Systems to Current and 5-year Needs:

- See comments above in Mechanical section. Both the buildings HVAC systems and the locker/bath rooms require extensive renovations to meet code requirements, energy efficiency, and occupant comfort and health.

### ADA Compliance and Assessment:

- Locker/bath rooms not totally ADA compliant.

## DESCRIPTION OF PROPERTY, Continued

### **Coliseum**

#### **Narrative Description:**

- A Neo-Classical Revival inspired, white stuccoed building with high red brick foundation.

#### **Registry Type:**

- 06/06/1980 National Register listed

#### **Site ID#:**

- P25176

#### **Building Utilization:**

- Multiple use public entertainment facility with good leasing potential. Indoor ice skating rink can be covered for many types of events such as equestrian, concerts, circus, etc.
- Approximately 75,500 square feet of floor space with 5,800 seats.

#### **Physical Assessment:**

- Structurally sound. Facility shows need for general maintenance. Condition of the roof is unknown.
- Building exteriors shows signs of water damage and some of the stucco is falling off the building.
- Several improvements were made for ice skating rink about 10 - 12 years ago.

#### **Utilities Systems Assessment:**

##### **Mechanical:**

- The building is heated by two large steam boilers with steam coil fan forced unit heaters distributed throughout building. Age and condition of boilers has not been determined, although they are assumed to be original with the building. Some sections of the steam/condensate piping are not insulated; some of these pipes are within reach from the upper spectator seating area.
- Air conditioning was added approximately 10-12 years ago. It consists of four large handling units, one in each corner of the building. Each AHU has an individual A/C condensing unit on the roof above it with independent spiral duct distribution systems. The units were not accessible at the time and we were not able to determine their current condition.
- Potable hot water is supplied by two large, newer Rheem high efficiency tank type gas waterheaters. They appeared to be in good condition although the T&P relief valve on one unit was stuck open.
- The ice rink refrigeration system with two 100HP compressors, installed approximately 10-12 years ago, appeared to be in satisfactory working condition. The mechanical room had a strong ammonia odor as there isn't any type of ventilation system.

### DESCRIPTION OF PROPERTY, Continued

- Plumbing fixtures in parts of the facility are very old and outdated.

#### Electrical:

- No emergency egress lighting system. There are some lighted exit signs, but not the number and in all locations that are required by the building code.
- All electrical distribution is run through conduit with older style breaker panels. Appears adequate.

#### Building Controls:

- Simple manual controls.

#### Adequacy of Utilities and Infrastructure Systems to Current and 5-year Needs:

- The building probably doesn't require any major improvements to remain adequate for the next five years, however maintenance to the building envelope should be done soon.

#### ADA Compliance and Assessment:

- Some barrier free items were brought up to date with the renovations 10-12 years ago.

## **Dairy Cattle Building**

#### Narrative Description:

- A Neo-Classical Revival inspired, white stuccoed building with high red brick foundation.

#### Registry Type:

- 06/06/1980 National Register listed

#### Site ID#:

- P25176

#### Building Utilization:

- Building is essentially used as a barn for displaying livestock during the fair.

#### Physical Assessment:

- Very old facility (turn of the century). Windows and doors are in very poor condition. Appears to be structurally sound but does have some water damage.
- Building exit doors require replacement. Most doors have heaved and rusted and do not shut. They have a chain and lock keeping them shut.

#### Utilities Systems Assessment:

##### Mechanical:

- Space heated by 20 old blower type gas fired unit heaters with individual thermostats. Upper roof mezzanine has row of exhaust fans.
- Mechanical is adequate for building considering its use.

### DESCRIPTION OF PROPERTY, Continued

**Electrical:**

- High bay lighting and power distribution is adequate.
- Exit lights not functional; repair or replace.

**Building Controls:**

- Old manual controls; adequate

**Adequacy of Utilities and Infrastructure Systems to Current and 5-year Needs:**

- Should be adequate for five year needs.

**ADA Compliance and Assessment:**

- Building exit doors require replacement.

## **U.S. Grant House**

**Narrative Description:**

- The U.S. Grant House is a rectangular, front-gable, two-story Greek Revival frame building. The walls are covered with clapboard siding. The roof line features a box cornice and returns. The off-center entrance is framed by pilasters and an entablature.

**Registry Type:**

- 08/23/1956 State Register listed

**Site ID#:**

- P25131

**Building Utilization:**

- Building use unknown.

**Physical Assessment:**

- No entry – Did not include in assessment

## **Worlds Largest Stove**

**Narrative Description:**

- The Michigan Stove was originally constructed in 1892 by the Michigan Stove Company for the World Columbian Exposition in Chicago in 1893. It was made of hand carved oak, measuring about twenty-five feet high, thirty feet long, twenty feet wide, and weighing about

### DESCRIPTION OF PROPERTY, Continued

fifteen tons. The wood was painted to look like a nickel trimmed, cast iron range of the day. The exterior is supported by wood trusses on each of its four sides. The trusses are supported by four sloping, steel legs measuring six inches by six inches. Roofrafters span the short direction, and the ceiling underneath is an oval shaped dome made of ten pie-shaped sections of thin wood pieces, laminated diagonally, and covered with canvas. The wood sides are laminated heartwood redwood, and the legs are white pine. Both are carved to form the exterior detail of the stove. The laminated ceiling is hardwood, probably basswood or gum. By 1974, the stove was in a state of advanced deterioration, and was dismantled and stored away until 1998 when it was restored to its original appearance.

#### Registry Types:

- 08/24/1998 Marker erected
- 06/18/1998 State Register listed

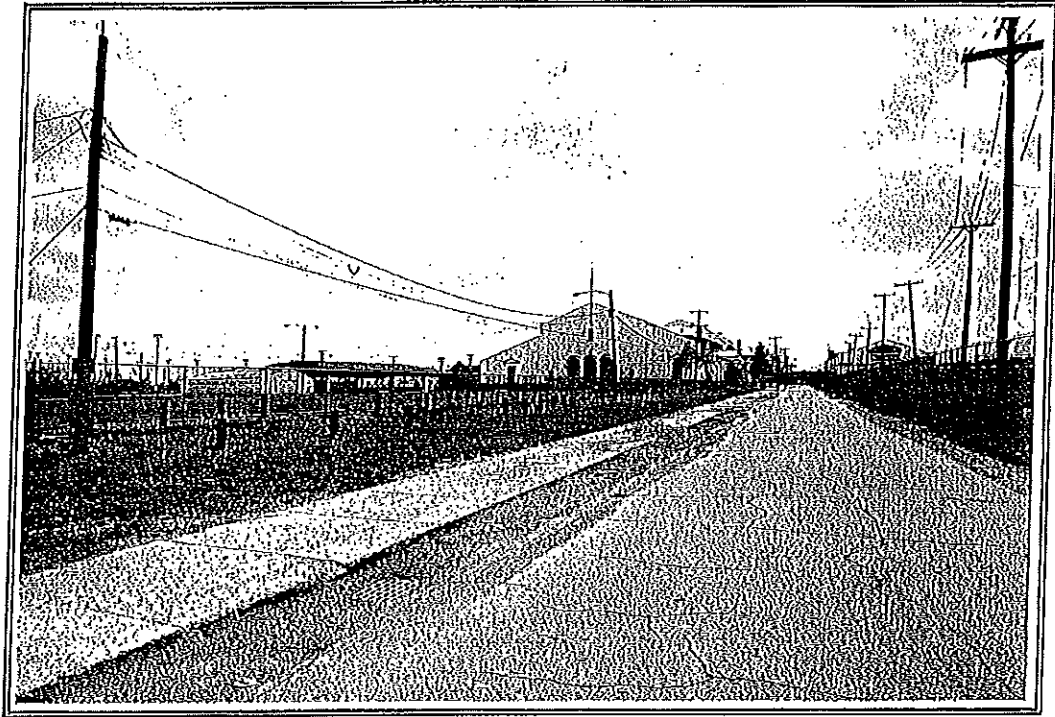
#### Site ID#:

- P28385

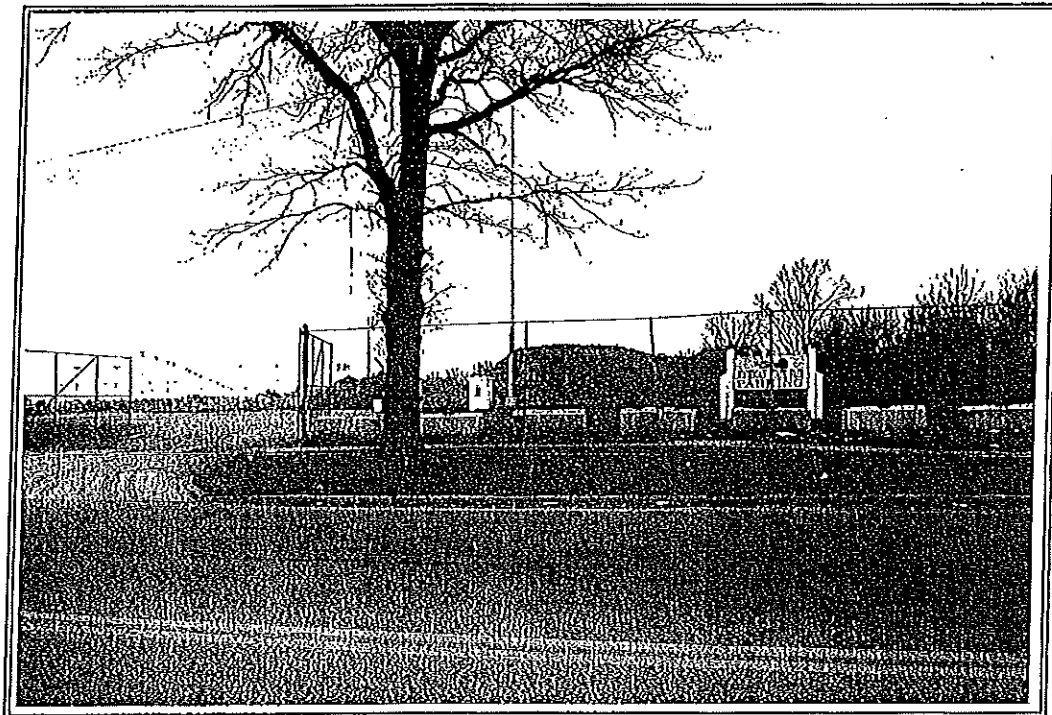
#### Building Utilization:

- Not a building; permanent outdoor exhibit.

SUBJECT PHOTOGRAPHS



VIEW OF STATE FAIRGROUNDS FACING SOUTH FROM 8 MILE ROAD, TAKEN APRIL 2007.



VIEW FAIRGROUNDS FACING NORTH FROM STATE FAIR AVENUE.

SUBJECT PHOTOGRAPHS



VIEW OF SUBJECT FACING EAST FROM WOODWARD AVENUE.

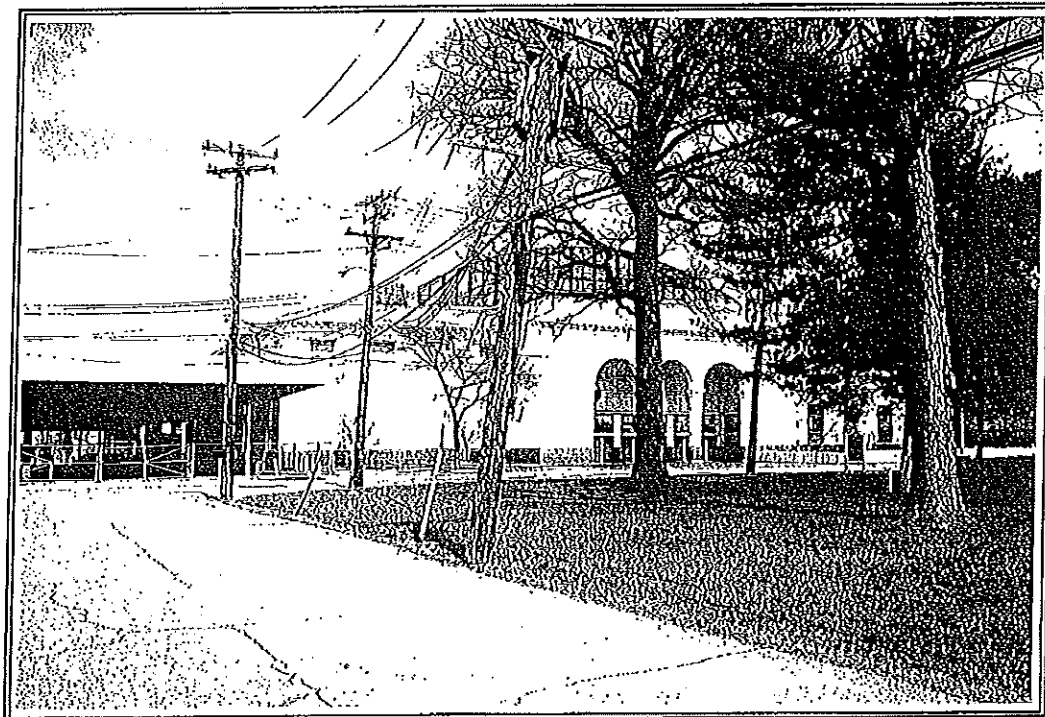


INTERIOR VIEW OF STATE FAIRGROUNDS SITE.

SUBJECT PHOTOGRAPHS

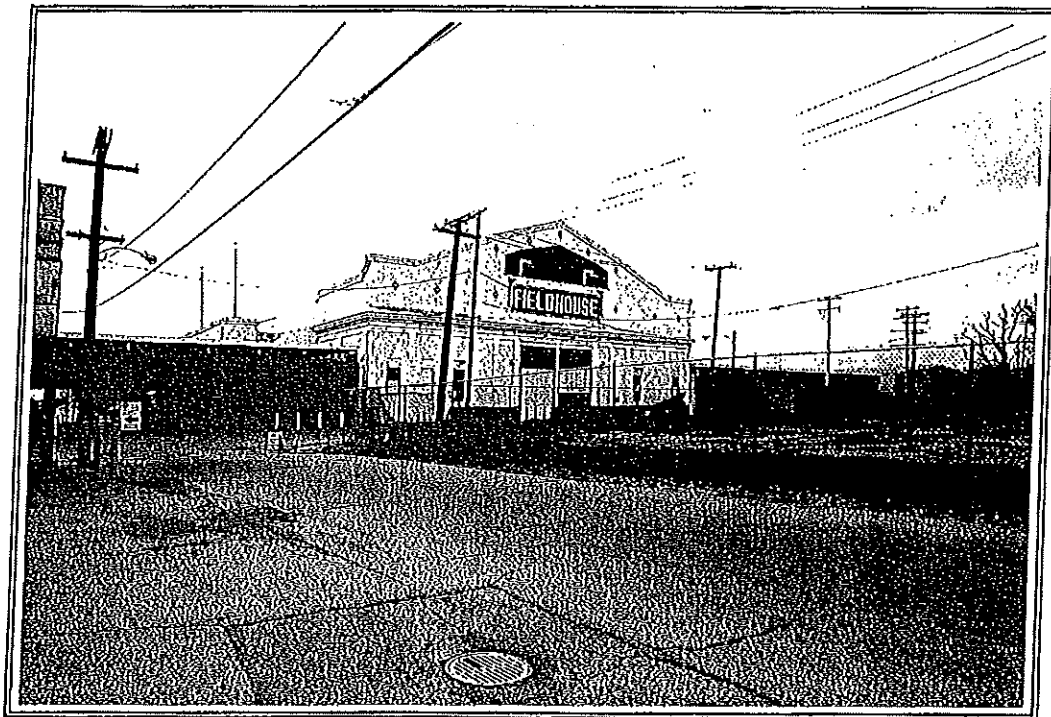


INTERIOR VIEW OF SUBJECT. COLISEUM ON LEFT.

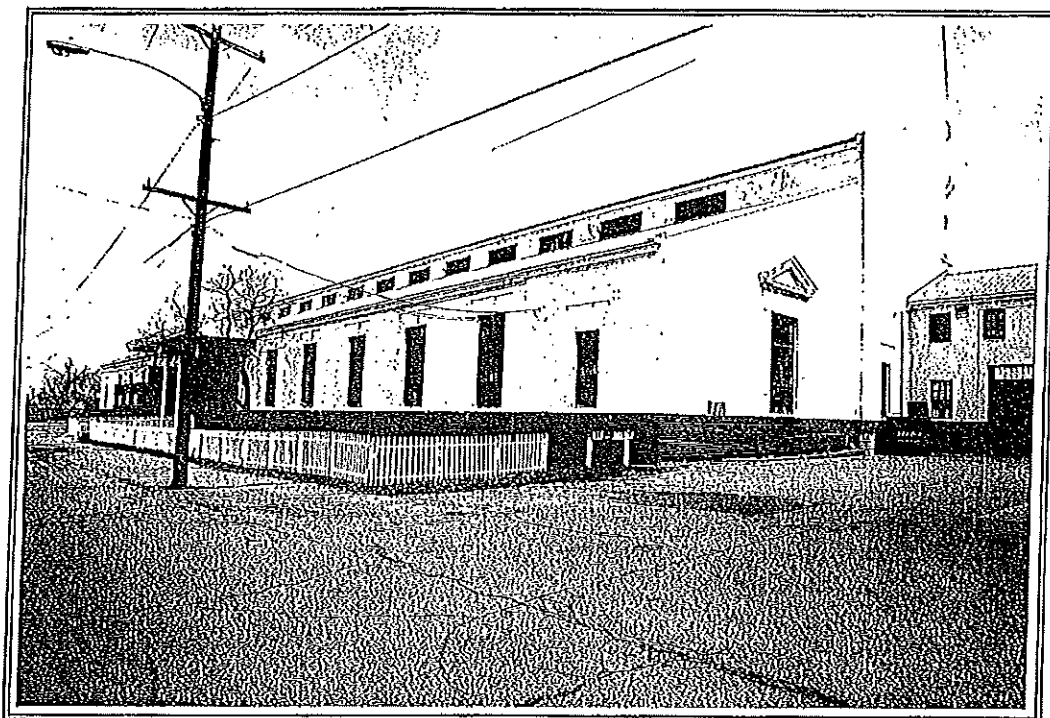


VIEW FACING SOUTH SIDE OF STATE FAIR COLISEUM.

SUBJECT PHOTOGRAPHS

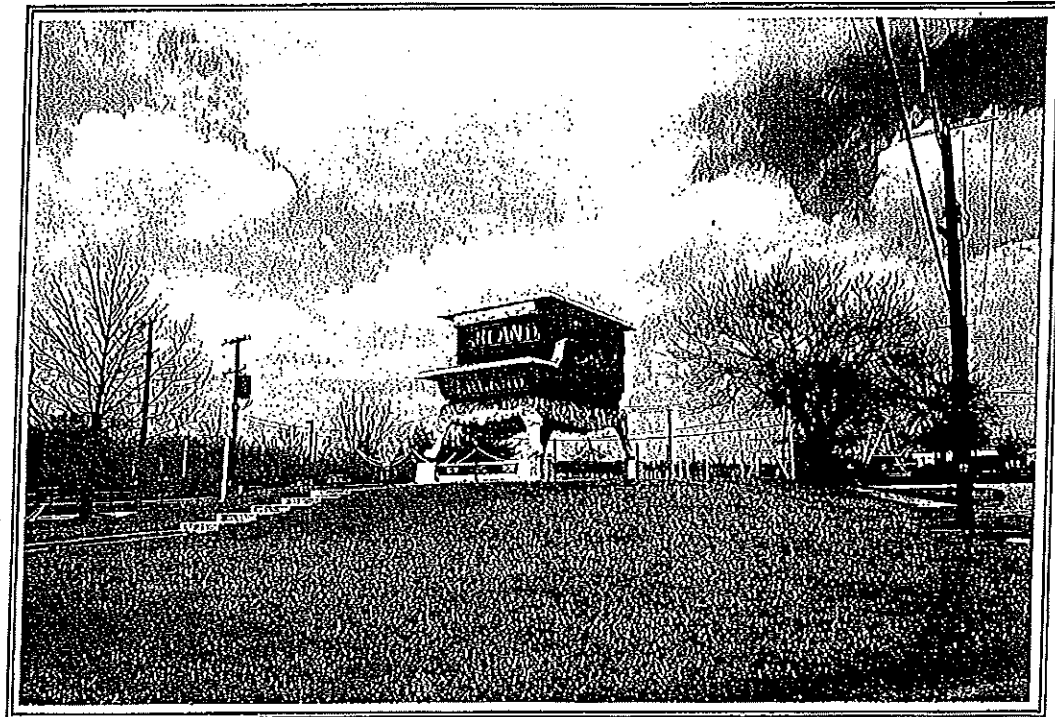


VIEW OF STATE FAIRGROUND AGRICULTURAL BUILDING, FACING SOUTH.

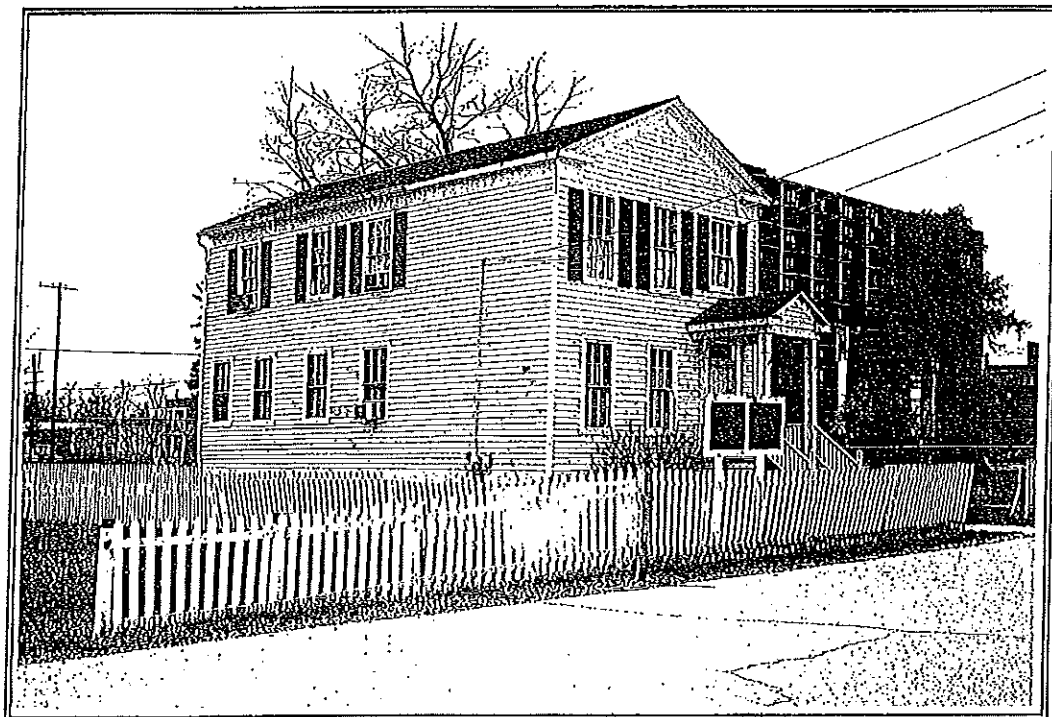


VIEW OF DAIRY CATTLE BUILDING FACING NORTHEAST.

SUBJECT PHOTOGRAPHS

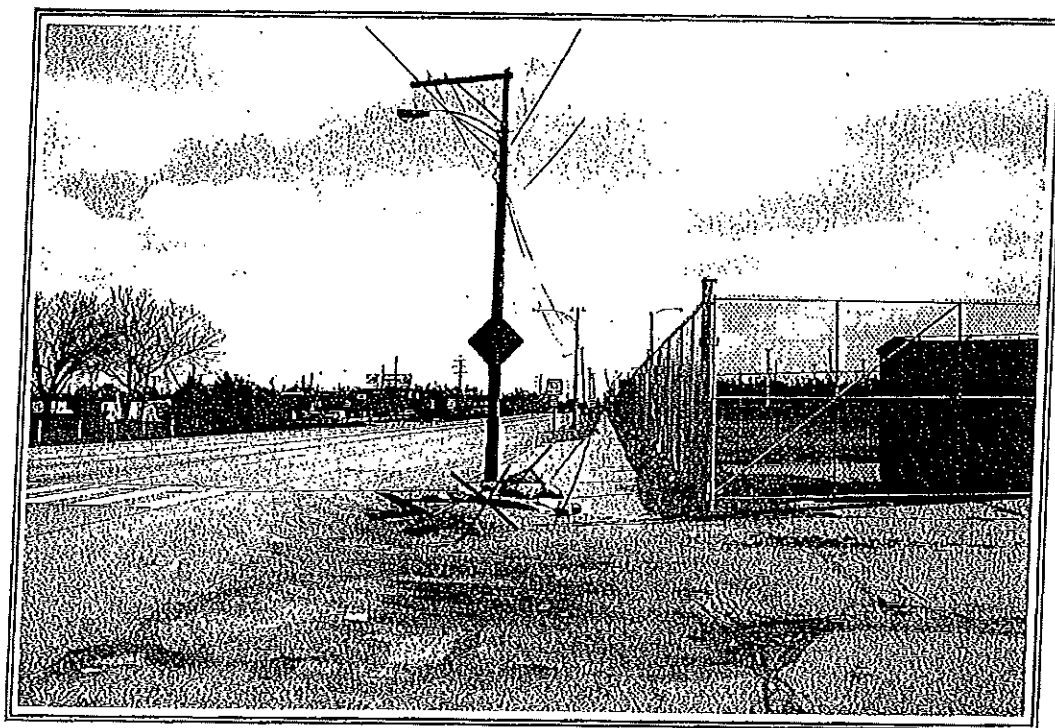


VIEW OF WORLDS LARGEST STOVE ON STATE FAIRGROUNDS SITE.

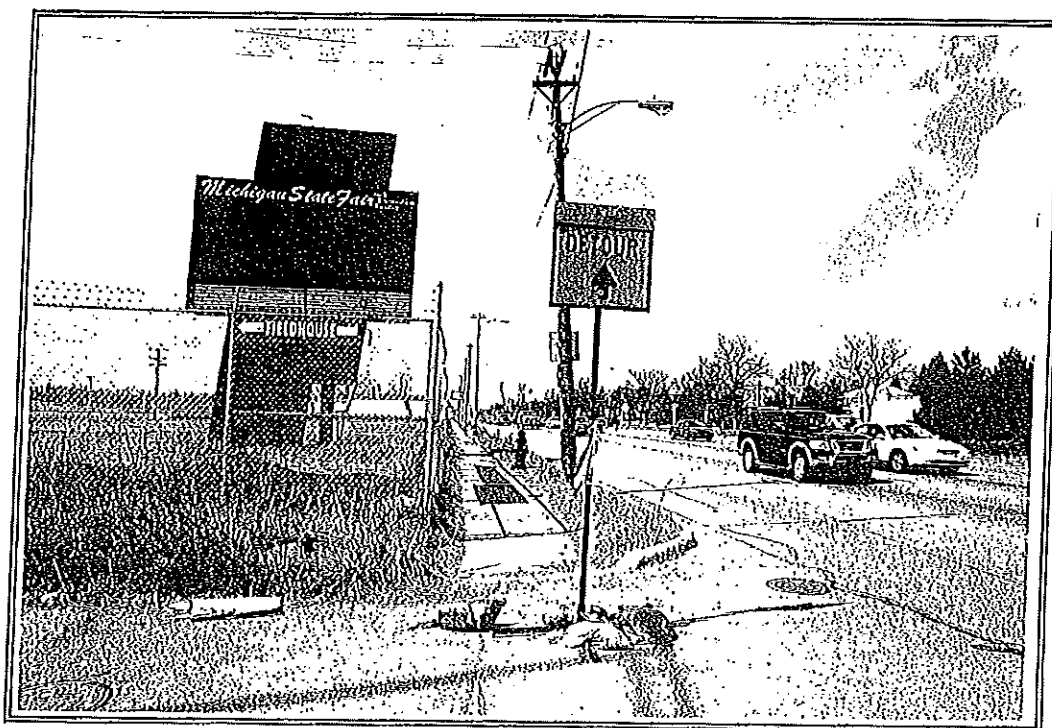


VIEW OF U.S. GRANT HOUSE FACING SOUTHWEST.

SUBJECT PHOTOGRAPHS



STREET VIEW FACING EAST ALONG EIGHT MILE ROAD.

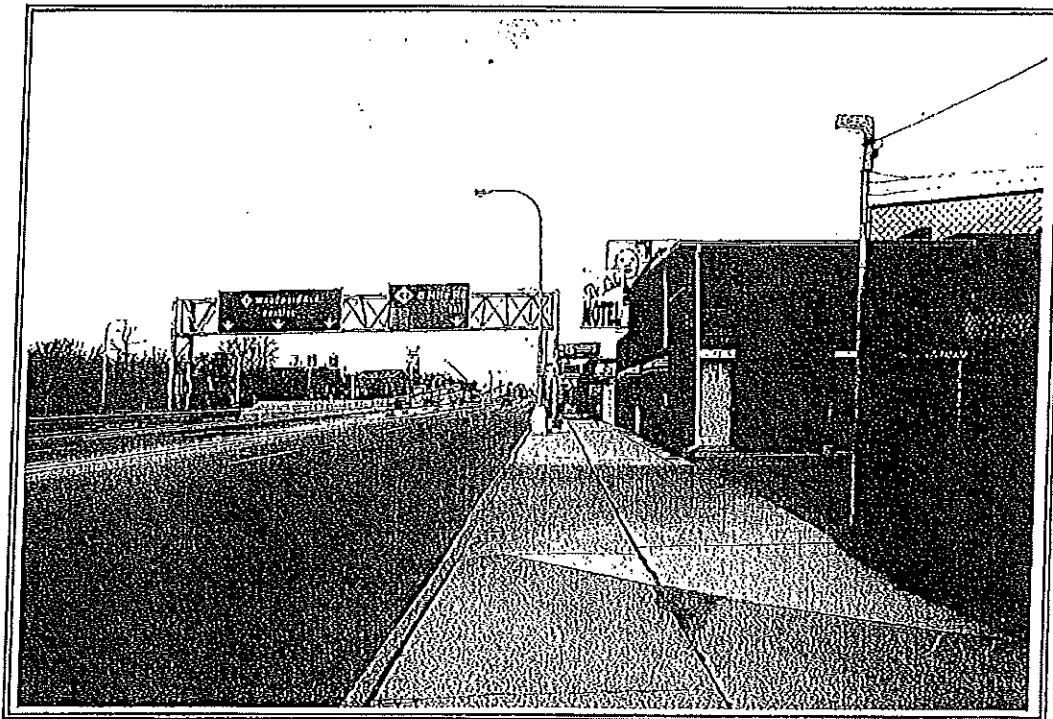


STREET VIEW FACING WEST ALONG EIGHT MILE ROAD.

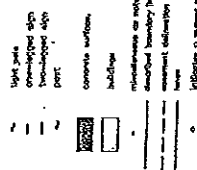
SUBJECT PHOTOGRAPHS



STREET VIEW FACING SOUTH ALONG WOODWARD AVENUE.



STREET VIEW FACING NORTH ALONG WOODWARD AVENUE.



ITAL OCCUPATION - PANGE, 2

[illegible]

1. The following information was obtained from the records of the Department of the Interior, Bureau of Land Management, regarding the land owned by the United States in the State of California:

2. The total area of land owned by the United States in the State of California is approximately 100,000,000 acres.

3. The land is owned by the United States in several different capacities, including:

4. (a) Land owned by the United States in fee simple, which is approximately 10,000,000 acres.

5. (b) Land owned by the United States in trust for the benefit of the people of the State of California, which is approximately 50,000,000 acres.

6. (c) Land owned by the United States in trust for the benefit of the people of the State of California, which is approximately 40,000,000 acres.

7. The land is owned by the United States in several different capacities, including:

8. (a) Land owned by the United States in fee simple, which is approximately 10,000,000 acres.

9. (b) Land owned by the United States in trust for the benefit of the people of the State of California, which is approximately 50,000,000 acres.

10. (c) Land owned by the United States in trust for the benefit of the people of the State of California, which is approximately 40,000,000 acres.

7. Letter to Mr. [redacted] re: [redacted] dated August 14, 2000 by John C. Norful, General Manager, Mississippi State Air to Water Dept., President, Jackson City.

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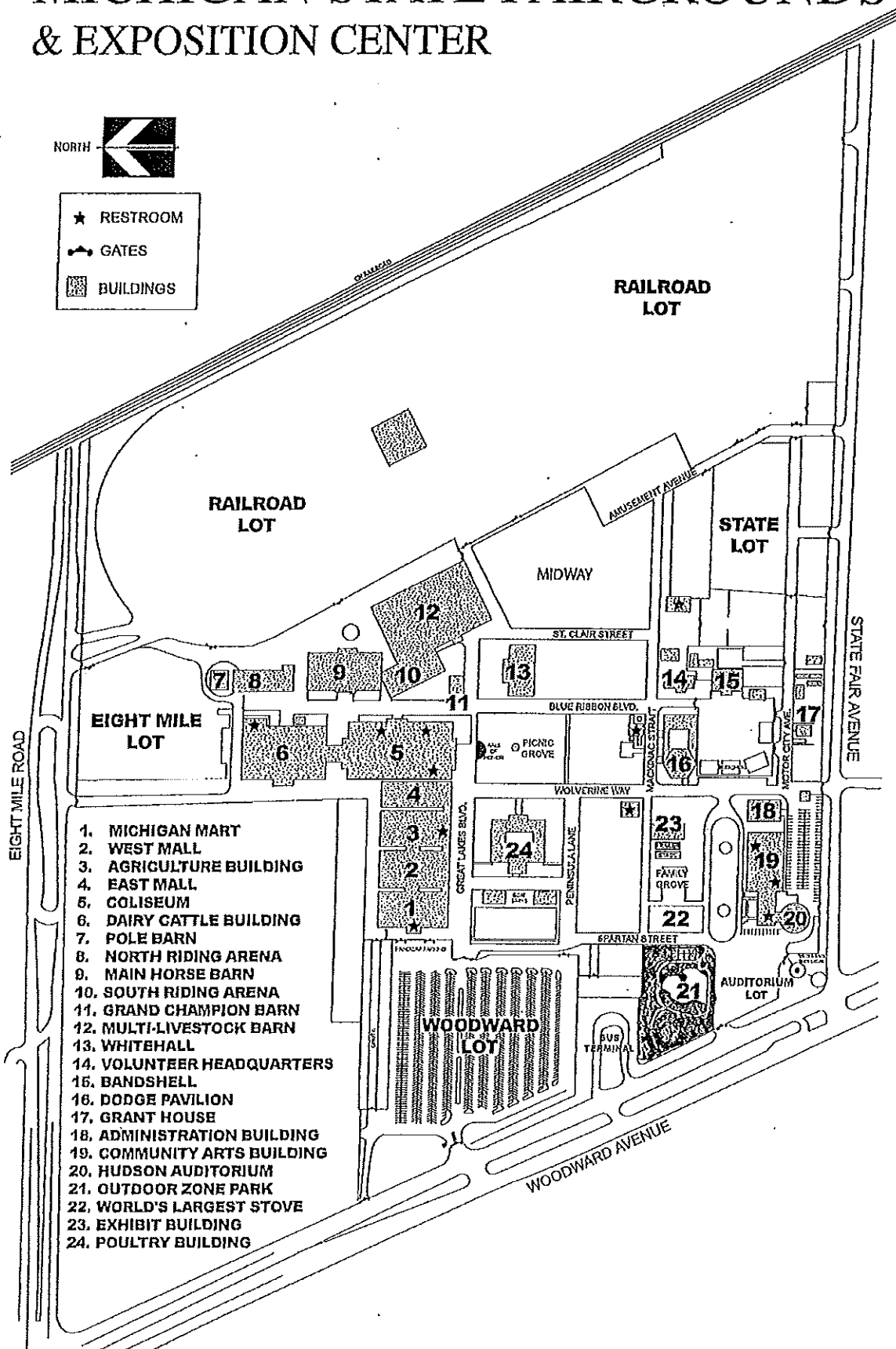
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LE SURVEY MICHIGAN STATE FIREARMS  
DETROIT, MICHIGAN

PAGE 1 OF 2

# MICHIGAN STATE FAIRGROUNDS & EXPOSITION CENTER



1. MICHIGAN MART
2. WEST MALL
3. AGRICULTURE BUILDING
4. EAST MALL
5. COLISEUM
6. DAIRY CATTLE BUILDING
7. POLE BARN
8. NORTH RIDING ARENA
9. MAIN HORSE BARN
10. SOUTH RIDING ARENA
11. GRAND CHAMPION BARN
12. MULTI-LIVESTOCK BARN
13. WHITEHALL
14. VOLUNTEER HEADQUARTERS
15. BANDSHELL
16. DODGE PAVILION
17. GRANT HOUSE
18. ADMINISTRATION BUILDING
19. COMMUNITY ARTS BUILDING
20. HUDSON AUDITORIUM
21. OUTDOOR ZONE PARK
22. WORLD'S LARGEST STOVE
23. EXHIBIT BUILDING
24. POULTRY BUILDING

### HAZARDOUS WASTE OR PROPERTY CONTAMINATION

Due to the confidential nature of this appraisal assignment, a detailed inspection of the subject site was not available. The Michigan State Fair Building Infrastructure Assessment, prepared September 11, 2006, indicates that an asbestos assessment should be conducted in the Coliseum. Improvements the age of those located on the State Fairgrounds site often include hazardous materials. However, Value Trends has not been provided with an environmental impact study of the subject property.

The presence of substances such as toxins, asbestos, urea-formaldehyde foam insulation, or other hazardous materials may affect the value of the property. The value estimate which has been provided is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such condition, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. Should a determination be made at a latter date that the property is encumbered by the presence of environmental contaminants, this issue must be addressed at that time as to how it relates to the value of the subject property. For purposes of this valuation, the assumption is made that the subject property is free and clear of any contaminates.

### AMERICANS WITH DISABILITIES ACT

The Americans with Disabilities Act (ADA) became effective January 26, 1992. The intent of this act is to give civil rights protection to individuals with disabilities similar to those provided to individuals on the basis of race, sex, national origin, age and religion. It guarantees equal opportunity for individuals with disabilities in public accommodations, employment, transportation, state and local government services and telecommunications. Included among the tenants are provisions for various facilities to provide barrier free design. I (we) have not made a specific compliance survey and analysis of the property to determine to what extent the buildings do, or do not, conform with the various detailed requirements of the ADA. That said, Value Trends has been provided a copy of the Michigan State Fair Building and Infrastructure Assessment, prepared as of September 11, 2006. According to the assessment, the buildings in question do have some non-compliance issues which need to be addressed. These are as follows:

Agricultural Building - Locker/bath rooms not totally ADA compliant.

Coliseum - Some barrier free items were brought up to date with the renovations 10-12 years ago.

Dairy Cattle Building - Building exit doors require replacement.

**PART THREE:**

**ANALYSIS OF DATA AND VALUE CONCLUSIONS**

### PRESENT USE OF PROPERTY

The appraised real estate pertains to the Michigan State Fairgrounds.. The State Fairgrounds site consists of 163.25 gross acres. For approximately 2 to 3 weeks each year, the State Fair is held at this site. During the remainder of the year, several other events and activities are held at the site. These include special activities including a gun and knife show, motorcycle swap meet and a Natural Horseman Seminar. The Agricultural Building is leased to Fieldhouse, LLC who utilizes the real estate for Basketball. The Coliseum is leased to Little Caesars AAA Hockey who utilized the property for Hockey practice and games.

### HIGHEST AND BEST USE

Highest and best use reflects a basic assumption about real estate market behavior that the price a buyer will pay for a property is based on his or her conclusions about the most profitable use of that site or property. Therefore, sites and improved properties tend to be put to their highest and best uses. The determination of a property's highest and best use set forth in an appraisal may or may not conform with the existing use. The determination of highest and best use must be based on careful consideration of prevailing market conditions, trends affecting market participation and change, and the existing use of the subject. The results from the highest and best use analysis form the basis of the application of the three approaches to value.

Highest and best use as presented in The Appraisal of Real Estate, twelfth edition is defined as:

*The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.*

### HIGHEST AND BEST USE "AS VACANT"

There are two underlying reasons for analyzing the highest and best use of the subject "as vacant". The first reason is to define if the land is, or were, vacant, what use should be made of it. This determination allows the appraiser to determine the criteria for selecting the comparable sales to be used in estimating the value of the site. The second reason assist in determining what type of building or other improvements, if any, should be constructed on the land and when. The following section discusses the four tests of highest and best use as vacant.

Physically, the subject has a gross area of 163.25<sup>±</sup> acres. After subtracting for estimated right-of-ways including both public roads and railroad corridor, the sites net area was estimated to be approximately 161.27<sup>±</sup> acres. Further, two smaller portions of the site are separated from the remainder by road right-of-way in one instance and railroad corridor in the other. Making this separation even more pronounced, these portions of the site can only be accessed from local interior

### HIGHEST AND BEST USE, Continued

residential streets.

The larger of the two (2) separated parcel is located on the eastern side of the Grand Trunk Western Railroad corridor. The parcel is triangular shaped and consists of 5.78 acres.

The smaller of the separated sites is separated from the larger by State Fair Avenue, and is located at the southwest corner of State Fair Avenue and the Grand Trunk Western Railroad corridor. A legal description of this parcel individually has not been provided, however based on those dimensions provided the sites area has been calculated to be 1.17<sup>±</sup> acres.

After subtracting the smaller separated portions of the site, an area of 154.32<sup>±</sup> acres is found attributable solely to the larger site. This larger site is unique in that it is probably, if not the only, one of the few sites of it's size available for development within the confines of the City of Detroit.

The site has extensive frontage along both Woodward and Eight Mile Road, as well as other local streets. The topography of the subject is generally level and all utilities are available. For clarification, a sketch of the subject provided within the photographs and sketches section of this report provides a better visual description of the State Fairgrounds site.

Legally, the subject is governed by it's existing zoning classifications, which include both B-4, General Business and M-4 Intensive Industrial. The larger portion of the site containing 154.32<sup>±</sup> acres, net is currently zoned B-4, whereas the smaller parcels are both zoned M-4. Both zoning classifications provide for a wide range in potential uses, however the intent of each differs.

The B-4, General Business District provides for an open and wide range in potential uses, including business, office, single family and multiple family residential, as well as some manufacturing. A few of these permitted uses are listed below.

- Bank without drive-up or drive-through facilities
- Barber or beauty shop
- Dry cleaning, laundry, or laundromat
- Establishment for the sale of beer or intoxicating liquor for consumption on the premises, inside the Central Business District
- Greenhouse or nursery with stock for retail sales
- Medical or dental clinic, physical therapy clinic, or massage therapy clinic

### HIGHEST AND BEST USE, Continued

- Motor vehicles, new, salesroom or sales lots
- Office, business or professional
- Recreation, indoor commercial and health club
- Restaurant, carry-out or fast food, where located in a multi-story building and integrated into a mixed use or multi-tenant development, and without drive-up or drive-through facilities
- Retail sales and personal service in business and professional offices
- Retail sales and personal service in multiple-residential structures
- Multiple-family dwelling
- Residential use combined in structures with permitted commercial uses
- Single-family detached dwelling
- Motel
- Wholesaling, warehousing, storage buildings, or public storage houses, except excluding Gratiot Avenue, such use shall not be permitted on any zoning lot abutting a designated Gateway Radial Thoroughfare

A few of those uses permitted within the M-4, Intensive Industrial District are as follows.

- Barber or beauty shop
- Dry cleaning, laundry, or laundromat
- Employee recruitment center
- Financial services center
- Food stamp distribution center
- Motor vehicle filling station
- Office, business or professional

### HIGHEST AND BEST USE, Continued

- Restaurant, carry-out or fast-food with or without drive-up or drive-through facilities
- Restaurant, standard
- Retail sales and personal service in business and professional offices
- Blueprinting shop
- Cold storage plant
- Construction equipment, agricultural implements, and other heavy equipment repair or service
- Dental products, surgical, or optical goods manufacture
- General: High/medium-impact manufacturing or processing
- General: High-impact manufacturing or processing
- General: Low/medium-impact manufacturing or processing
- General: Low-impact manufacturing or processing
- Machine shop
- Railroad transfer or storage tracks
- Tool, die, and gauge manufacturing, small items
- Lofts

Of the financially feasible uses, that use(s) which produces the highest price or value, consistent with the rate of return warranted by the market for that use, is the highest and best use. Currently, the property adjacent to the subject at the southeast corner of Woodward Avenue and Eight Mile Road is planned to be developed with The Shoppes at Gateway Pointe, a proposed 330,000<sup>±</sup> square foot retail center. Recently, J.C. Penney announced its intent to locate as an anchor in this location. These events have provided hope for a market that has had difficulties in the past. On the other hand, criticism remains that while new development is on the horizon, such new development will only turn out to be marginally successful at best. Nevertheless, there still appears to be a demand for large size retail space which would include big box stores. For the purpose of this analysis, the assumption is made that approximately 35<sup>±</sup> acres of the subject's land area will be put to commercial utilization.

### HIGHEST AND BEST USE, Continued

The most likely development of the subject site includes a mixed use development similar to a PUD. In addition to the previously indicated commercial use, both residential and possible entertainment components are also considered reasonably possible. The exact acreage likely for each of these uses is fluid and uncertain at best. However, it is considered somewhat probable that the residential component which would include multiple family use would be located on the easterly portion of the property.

Getting back to the smaller separated portions of the subject, the area in which they are located is significantly less in demand. Furthermore, they are separated from the larger portion of the site in such a way as to prevent them from functionally being developed with the remainder of the site.

Based upon my analysis, it appears that the highest and best use of the subject "as vacant" is a mixed use development that could include a mixture of retail, office, entertainment, and some form of residential use on the 154.32<sup>±</sup> acre parcel. The highest and best use of both smaller parcels is for some form of speculative future development.

### HIGHEST AND BEST USE "AS IMPROVED"

The highest and best use of the subject "as improved" is determined for two reasons. The first reason is to identify the use that will produce the highest return of the subject. This involves testing five alternatives: making no changes to the subject, remodeling the subject, renovating the building, conversion to another use, or demolishing the improvements. The second reason is to help in identifying comparable properties to be used in the approaches to value.

At the request of the client (Michigan Department of Management and Budget), this appraisal has been completed under strict confidentiality. The requirements imposed have prevented a detailed inspection of the improvements located on the appraised site. In addition, in gathering data we have not been able to disclose which property we are appraising. As a result, some of the questions we might otherwise have been able to ask, could not be addressed.

The subject property is currently improved with several improvements and outbuildings. The buildings vary in age and each of their areas are unknown. Furthermore, the U.S. Grant House, State Fair Coliseum, Agricultural Building, Dairy Cattle Building and Worlds Largest Stove are all listed on either the State and/or Federal Register of Historic Sites. For this reports second analysis, the hypothetical condition implies the site is vacant with the exception of those improvements on the site which are currently listed on the State and/or Federal list of historic properties. The question which is to be resolved is what effect the Historically Designations would have on the underlying land value of the property.

### HIGHEST AND BEST USE, Continued

Because the real estate and improvements that are the subject of this appraisal are owned by the State of Michigan, it appears that there are no tax credits that have been received in the past that would prohibit demolition of the improvements. As a result, an **Extraordinary Assumption** is made that the subject improvements can be demolished.

Although it appears possible the improvements can be demolished, I also believe that the U.S. Grant House, State Fair Coliseum, Agricultural Building, and Dairy Cattle Building contribute value in excess of the site's underlying land value. This opinion is rendered in light of their historic designations, together with the fact two of the buildings are already leased. To the best of my understanding, the incentive provided by the historic designations is that both the State of Michigan and United States will give 25% tax credits for those repairs and capital improvements made to retain the historic integrity of the improvements.

### DIRECT SALES COMPARISON APPROACH

The direct sales comparison approach is based upon the proposition that an informed purchaser would pay no more for a property than the cost of acquiring an existing property with similar utility. This approach involves the analysis and comparison of market transactions, i.e., the prices being paid for similar properties, prices asked by owners, and offers made by prospective purchasers. Adjustments are then made to the sale prices of the comparable properties to arrive at an indication of what the subject property might sell for. Typically, a unit of comparison for industrial buildings is the price per square foot of building area. The unit prices of the comparable properties are then adjusted for differences and correlated into an indication of value for the subject.

The sales comparison approach is a method of estimating market value whereby a subject property is compared with comparable that have recently sold. Although it is always preferable that the comparable be located in the same area, it may sometimes be necessary to select sales from other locations. One premise of the sales comparison approach is that the market will determine a price for the property being appraised in the same manner that it determines the prices of comparable, competitive properties. Essentially, the sales comparison approach is a systematic procedure for carrying out comparative shopping. As applied to real estate, the comparison is applied to the unique characteristics of the economic good that cause real estate prices to vary.

The sales comparison approach is typically applied in five steps. These steps are:

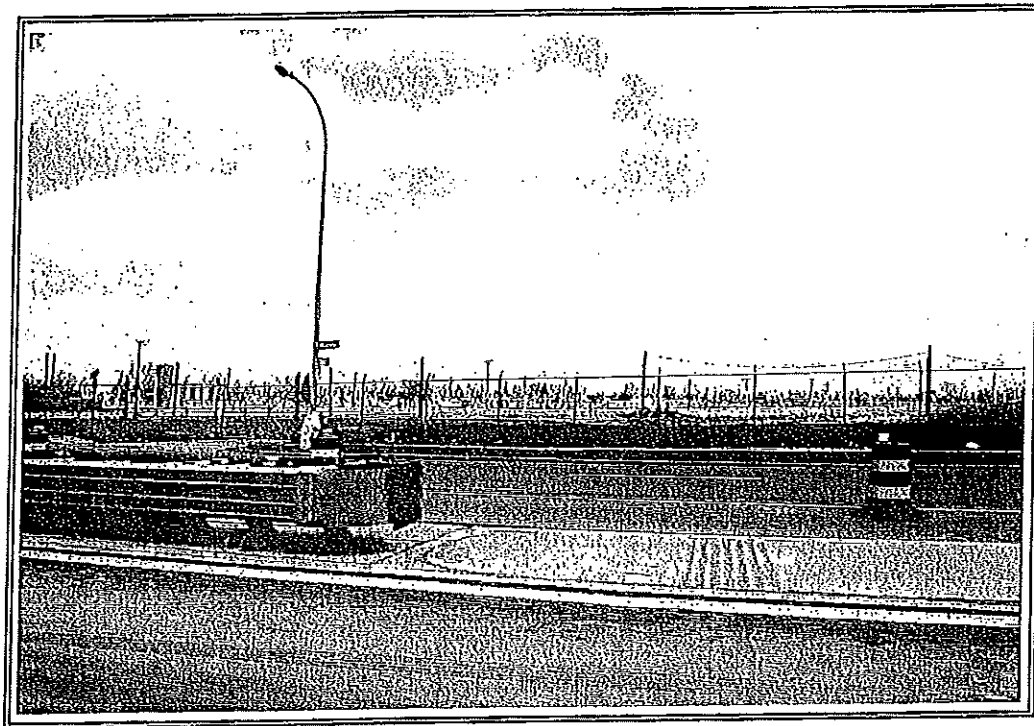
1. *Research the marketplace for sales, listings, and offerings.*
2. *Qualify the data as to the bona fide nature of the prices, terms, and motivating forces.*
3. *Compare the comparable' differences to the subject property. This comparison is made of physical, economic, and other variables considered to be important.*
4. *The differences between the subject and comparable are measured.*
5. *Formulate a final opinion of market value.*

The following pages include a map showing the locations of the comparable properties along with photographs and descriptions of each. The adjustments for individual differences between the subject and the comparables will be discussed thereafter. Due to the size of the subject in conjunction with its location within the City of Detroit, the search for comparables had to be extended outward to the general metropolitan Detroit area. In addition to the sales provided, a number of currently available large acreage commercial listings have been found. A few of these listings have been summarized in a chart following the introduction of the comparables.



# COMPARABLE SALES MAP

## COMPARABLE SALE ONE



### PROPERTY DESCRIPTION:

**LOCATION:** Located at the southeast corner of Woodward Avenue and 8 Mile Road, within the City of Detroit, Wayne County, Michigan.

**PARCEL NUMBER(S):** (Numerous)

### SITE CHARACTERISTICS

**SITE SIZE:** 34.9<sup>±</sup> acres

**FRONTAGE:** According to the legal description, the site has 803.93 feet of frontage along the east side of Woodward Avenue and 1,425.52 feet of frontage along the south side of 8 Mile Road. The frontage is not continuous, meaning there are a few smaller parcels in places between this property and the roads.

**COMPARABLE SALE ONE, Continued**

ZONING: B-3, Shopping District

UTILITIES: All utilities available

TOPOGRAPHY: Generally level and near road grade.

INTENDED USE: Development of a 400,000<sup>±</sup> square foot lifestyle center, which will be anchored by JC Pennys. The development will be called "The Shoppes at Gateway Park", and will include more than 100 stores and restaurants.

**SALES DATA:**

DATE: April 18, 2000, Original purchase agreement signed  
January 2006<sup>±</sup>, actual closing

SALES PRICE: \$6,000,000

BUYER: Avenue Investors (Nedelanders). The original buyer was the State Fair Development Group, but the purchase agreement was reassigned to Avenue Investors as part of an agreement between SFDG, Avenue Investors, and the State of Michigan.

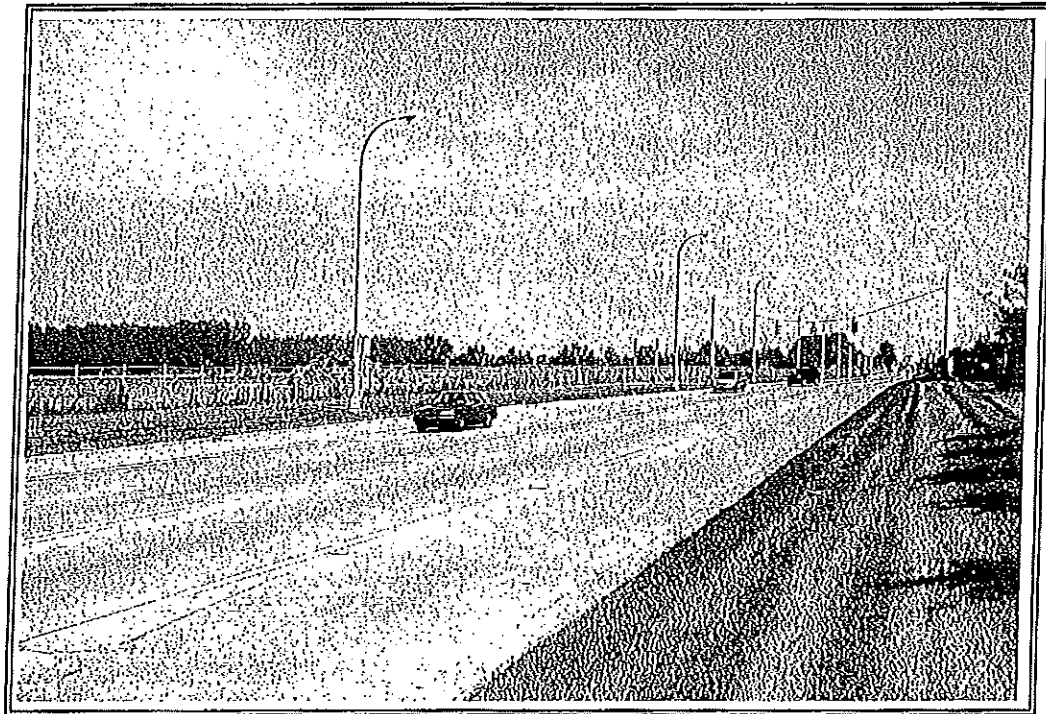
SELLER: State of Michigan Department of Management and Budget

DATA SOURCE: Seller

UNIT RATE: \$171,920<sup>±</sup> per acre

COMMENTS: The original purchaser, State Fair Development Group, LLC (SFDG), made an agreement with the State of Michigan to acquire the property for \$6,000,000. Secretly, plans were made to turn around and sell the property to the Detroit School District for \$12,000,000<sup>±</sup>. This information was discovered by the media and resulted in several lawsuits. In making a long story short, the parties agreed to reassign the original purchase agreement's grantee to Avenue Investors, LLC.

## COMPARABLE SALE TWO



### PROPERTY DESCRIPTION:

**LOCATION:** Located on the north side of 12 Mile Road, the east side of Mound Road, and the south side of 13 Mile Road, with the City of Warren, Macomb County, Michigan. Formerly a vacant portion of the GM Technical Center site.

**PARCEL NUMBER(S):** 13-08-204-001, -002, -003, -004, -005, -006, -007, -008, -009, -010, 13-08-402-001, -002, -003, -004, -005, -006, and -007.

### SITE CHARACTERISTICS

**SITE SIZE:** 69.71<sup>±</sup> acres, Single Family Development  
41.75<sup>±</sup> acres, Duplex  
40.41<sup>±</sup> acres, 4-Plex  
17.84<sup>±</sup> acres, 12-Plex

**COMPARABLE SALE TWO, Continued**

8.38<sup>±</sup> acres, Senior Housing  
81.46<sup>±</sup> acres, Parkland  
12.72<sup>±</sup> acres, Commercial Office  
36.66<sup>±</sup> acres, Commercial Retail  
2.43<sup>±</sup> acres, Future Development

**311.36<sup>±</sup> acres, Total** -- Subsequent to a survey being conducted, the total land area was adjusted upward to 319.65<sup>±</sup> acres.

**FRONTAGE:** Extensive frontage along 12 Mile, 13 Mile, and Mound Roads. The site has almost 1 mile of frontage along the east side of Mound Road. Frontage along 12 and 13 Mile Roads is just under ½ mile each.

**ZONING:** Was originally zoned M-2, Industrial. The purchaser obtained re-zoning of the site to a PUD use.

**UTILITIES:** All utilities available

**TOPOGRAPHY:** Generally level and near surrounding road grades. Portions of the site were wooded and other areas were cleared. Prior to the sale, a deer herd roamed the parcel. The seller relocated the deer to another location.

**INTENDED USE:** The purchaser's intent was to construct a mixed use development including single family residential, multiple family residential, and commercial uses. A review of the site plans found at the City of Warren indicates the property will include a total of 1,068 new residential units, a 207,000 square foot Meijer store, plus 120,000 in additional retail space. The purchaser also intends to construct a gas station as well as a senior housing apartment building, however, site plan approval has not yet been granted for these items.

A breakdown of the number and type of residential units is as follows:

292 Single-Family  
158 Duplex Units  
108 Stacked Duplex Units  
204 Four-Plex Units  
156 Twelve-Plex Units  
150 Senior Housing Units  
**1,068 Total Units**

**COMPARABLE SALE TWO, Continued**

According to a planner at the City of Warren, density requirements were negotiated after the sale. Open Space is at 30%. The development will be known as Heritage Village.

**SALES DATA:**

DATE: April 18, 2005

SALE PRICE: The following sales prices were obtained from Property Transfer Affidavits filed with the City of Warren. Corresponding Warranty Deeds reflect \$1 and other valuable consideration.

ID NUMBER	INTENDED USE	SALE PRICE
13-08-204-001	Single Family	\$2,952,600
13-08-204-002	Duplex	\$1,702,400
13-08-204-003	Parkland	\$10
13-08-204-004	Single Family	\$1,195,600
13-08-204-005	Parkland	\$10
13-08-204-006	4-Plex	\$2,196,600
13-08-204-007	Future Development	\$145,600
13-08-204-008	Parkland	\$10
13-08-204-009	12-Plex	\$1,321,600
13-08-204-010	Office	\$415,800
13-08-402-001	Single Family	\$2,952,600
13-08-402-002	Duplex	\$866,600
13-08-402-003	Senior Housing	\$463,400
13-08-402-004	Parkland	\$10
13-08-402-005	Parkland	\$10
13-08-402-006	Retail	\$1,782,200

**COMPARABLE SALE TWO, Continued**

ID NUMBER	INTENDED USE	SALE PRICE
13-08-402-007	Retail	\$957,600
<b>TOTAL</b>	Mixed	<b>\$16,952,650</b>

The prices indicated do not include all of the consideration paid for the property. In addition to the amounts paid, the parties to which Grand Sakwa has spun the site off to have paid Assignment Fees to both Grand Sakwa and General Motors. These dollar amounts are confidential and the parties to the transaction do not want them disclosed.

**CONDITIONS:**

Arms length transaction.

**BUYER:**

Grand Sakwa

**SELLER:**

General Motors

**DATA SOURCE:**

Municipal Records, discussions with various purchasers

**UNIT RATE:**

\$101,862<sup>±</sup> per acre, Single Family Land  
\$ 61,533<sup>±</sup> per acre, Duplex Land  
\$ 54,358<sup>±</sup> per acre, 4-Plex  
\$ 74,081<sup>±</sup> per acre, 12-Plex  
\$ 32,689<sup>±</sup> per acre, Office  
\$ 55,298<sup>±</sup> per acre, Senior Housing  
\$ 74,735<sup>±</sup> per acre, Retail  
\$ 54,447<sup>±</sup> per acre, Total Land Area, from Property Transfer Affidavits.

The total amount paid is significantly more than that indicated on the Transfer Affidavits.

**COMMENTS:**

The Assessor at the City of Warren expressed a concern/disbelief over the validity of the sale prices indicated

### COMPARABLE SALE THREE



#### PROPERTY DESCRIPTION:

LOCATION: Located at the northeast corner of Outer Drive and the Southfield Freeway (M-39), within the City of Allen Park, Wayne County, Michigan.

PARCEL NUMBER(S): Part of 30-003-99-0001-000.

#### SITE CHARACTERISTICS

SITE SIZE: 36<sup>+</sup> acres

FRONTAGE: Extensive frontage along Outer Drive and the Southfield Freeway northbound Service Drive.

ZONING: C-6B, Marketplace District

**COMPARABLE SALE THREE, Continued**

UTILITIES: All utilities available

TOPOGRAPHY: Generally level and near road grade.

INTENDED USE: The purchaser is developing the site with a retail project known as Independence Marketplace.

SITE COMMENTS: The parcel is part of a larger site containing 243<sup>±</sup> acres. This larger site is permitted to include retail, entertainment, hotels, and office type uses.

**SALES DATA:**

DATE: May 25, 2004

SALES PRICE: \$12,000,000

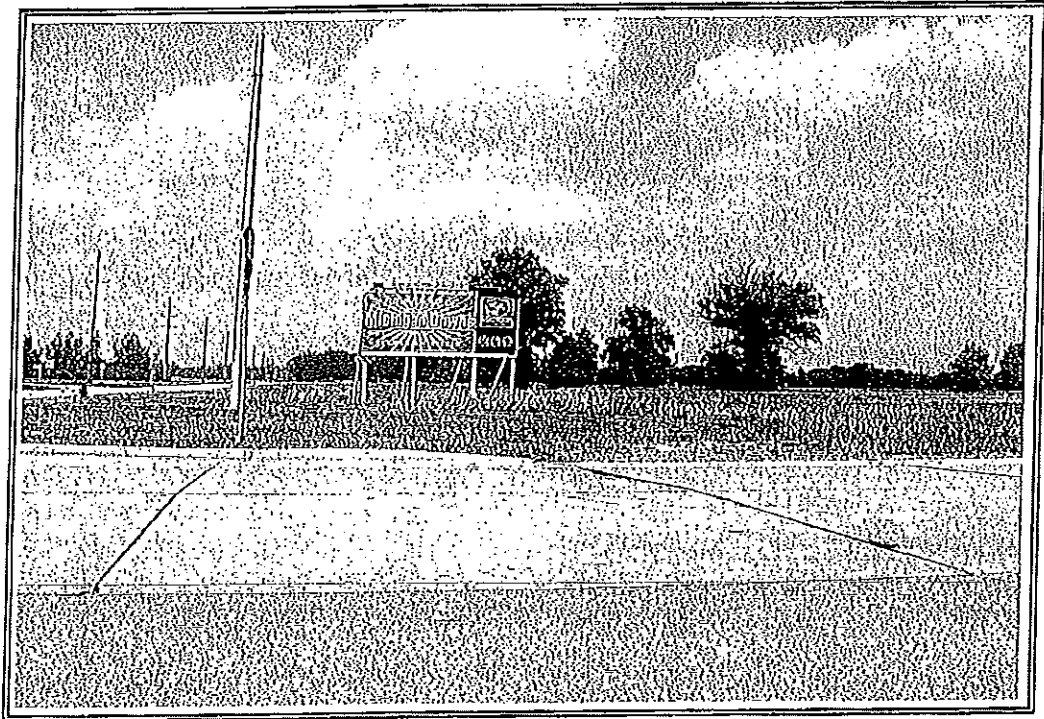
BUYER: Outer Drive 39 Development Company, LLC

SELLER: Edsel B. Ford II, et al

DATA SOURCE: Confidential

UNIT RATE: \$333,333<sup>±</sup> per acre

#### COMPARABLE SALE FOUR



#### PROPERTY DESCRIPTION:

**LOCATION:** Located on the south side of Smith, west of Merriman Road, within the City of Romulus, Wayne County, Michigan. This location is north of I-94.

**PARCELNUMBER(S):** 80-039-99-0001-701, 80-039-99-0004-701, 80-040-99-0002-711, and 80-040-99-0002-712.

#### SITE CHARACTERISTICS

**SITE SIZE:** 163.36<sup>±</sup> acres, gross  
2.56<sup>±</sup> acres, r.o.w.  
160.80<sup>±</sup> acres, net

**COMPARABLE SALE FOUR, Continued**

ZONING: RC, Regional Center

UTILITIES: All utilities available

TOPOGRAPHY: Upon inspection, the site appeared to be level and near road grade farmland.

INTENDED USE: To construct a horse racetrack, which will be known as the Magna Racetrack. The racetrack will be constructed on 212<sup>±</sup> acres. Development will also include a 33,000<sup>±</sup> Research & Development facility, and a 170,000<sup>±</sup> Entertainment Facility. This is one of two sales acquired to accommodate this development.

**SALE DATA:**

DATE: October 2, 2003

SALES PRICE: \$21,690,855

CONDITIONS: Arms length

BUYER: 20030 Delaware, Inc.

SELLER: Venoy Wick Development Associates, LLC

DATA SOURCE: Municipal records

UNIT RATE: \$132,779<sup>±</sup> per acre, gross  
\$134,893<sup>±</sup> per acre, net

### COMPARABLE SALE FIVE



#### PROPERTY DESCRIPTION:

LOCATION: Located at the northeast corner of Wick and Venoy Roads, within the City of Romulus, Wayne County, Michigan. This location is north of I-94.

PARCEL NUMBER(S): 80-039-99-0003-702, and 80-039-99-0002-702 (fka. -700).

#### SITE CHARACTERISTICS

SITE SIZE: 44.13<sup>±</sup> acres, gross  
1.20<sup>±</sup> acres, r.o.w.  
42.93<sup>±</sup> acres, net

ZONING: RC, Regional Center

**COMPARABLE SALE FIVE, Continued**

UTILITIES: All utilities available

TOPOGRAPHY: Upon inspection, the site appeared to be level and near road grade farmland.

INTENDED USE: To construct a horse racetrack, which will be known as the Magna Racetrack. The racetrack will be constructed on 212<sup>±</sup> acres. Development will also include a 33,000<sup>±</sup> Research & Development facility, and a 170,000<sup>±</sup> Entertainment Facility. This is one of two sales acquired to accommodate this development.

**SALE DATA:**

DATE: October 2, 2003

SALES PRICE: \$5,815,530

CONDITIONS: Arms length

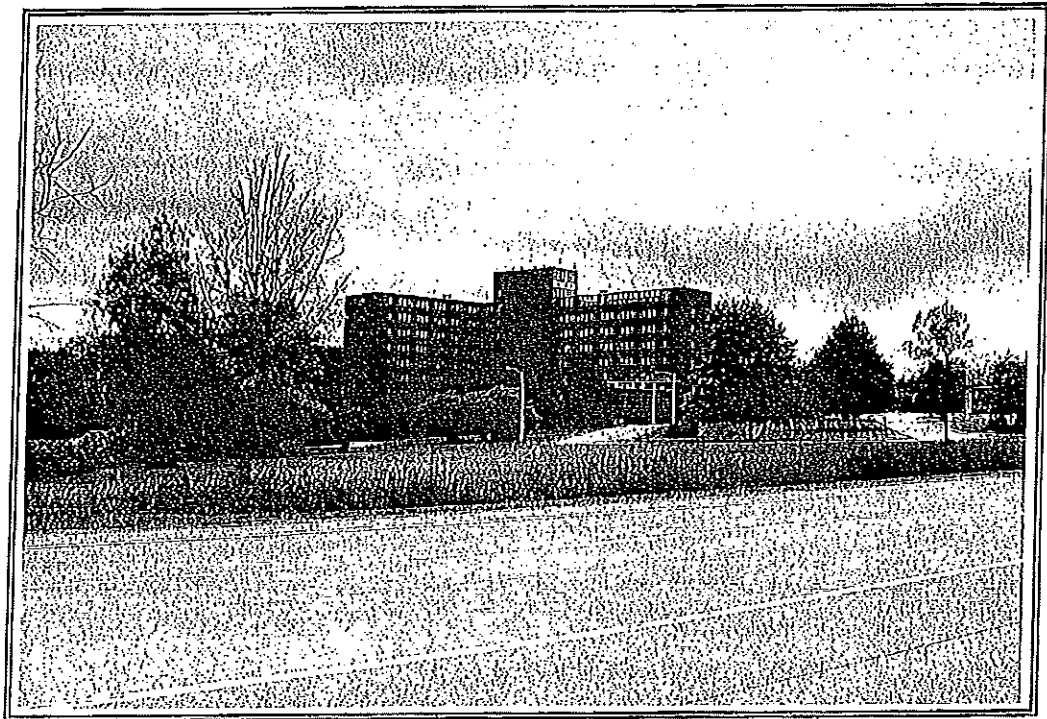
BUYER: 20030 Deleware, Inc.

SELLER: Vining Park Equities, LLC

DATA SOURCE: Municipal records

UNIT RATE: \$131,782<sup>±</sup> per acre, gross  
\$135,465<sup>±</sup> per acre, net

## COMPARABLE SALE SIX



### PROPERTY DESCRIPTION:

IDENTIFICATION: Northville Psychiatric Hospital site

LOCATION: Located at the southwest corner of Haggerty and Seven Mile Roads, within Northville Township, Michigan.

PARCEL NUMBER(S): 041-99-0001-701 & 045-99-0001-001

### SITE CHARACTERISTICS

SITE SIZE: 422.62<sup>±</sup> acres, other sources have indicated land areas ranging from 414<sup>±</sup> to 415<sup>±</sup> acres.

FRONTAGE: Frontage extends 6,538.70 feet along the west side of Seven Mile

**COMPARABLE SALE SIX, Continued**

Road, and approximately 1,156.77 feet along the west side of Haggerty Road.

**ZONING:** PUD, Planned Unit Development

**UTILITIES:** All available.

**TOPOGRAPHY:** Topography varies from hilly woodland, to low lying wetland and open grassy fields.

**INTENDED USE:** Development of a combination of single and multiple family residential, commercial, and office. In addition, Northville Township was requiring that 40 acres of the site be donated before they would approve a site plan.

**COMMENTS:** The site was improved with over 20 older buildings which were used in conjunction with the psychiatric hospital. Furthermore, environmental assessment studies were conducted. Accordingly, the resulting clean up costs were estimated to be between \$6.6 and \$12.9 million.

**SALES DATA:**

**DATE:** September 29, 2005

**SALE PRICE:** \$31,500,000

**CONDITIONS:** Arms length transaction. Financed by a land contract until various lawsuits attempting to stop the sale are resolved.

**BUYER:** Real Estate Interests Group, Inc.

**SELLER:** Michigan Department of Management and Budget

**DATA SOURCE:** Seller

**UNIT RATE:** \$74,535 per acre

**COMMENTS:** The property was originally put up for auction in May of 2003, with a minimum bid requirement of \$65 million. Three bids came in

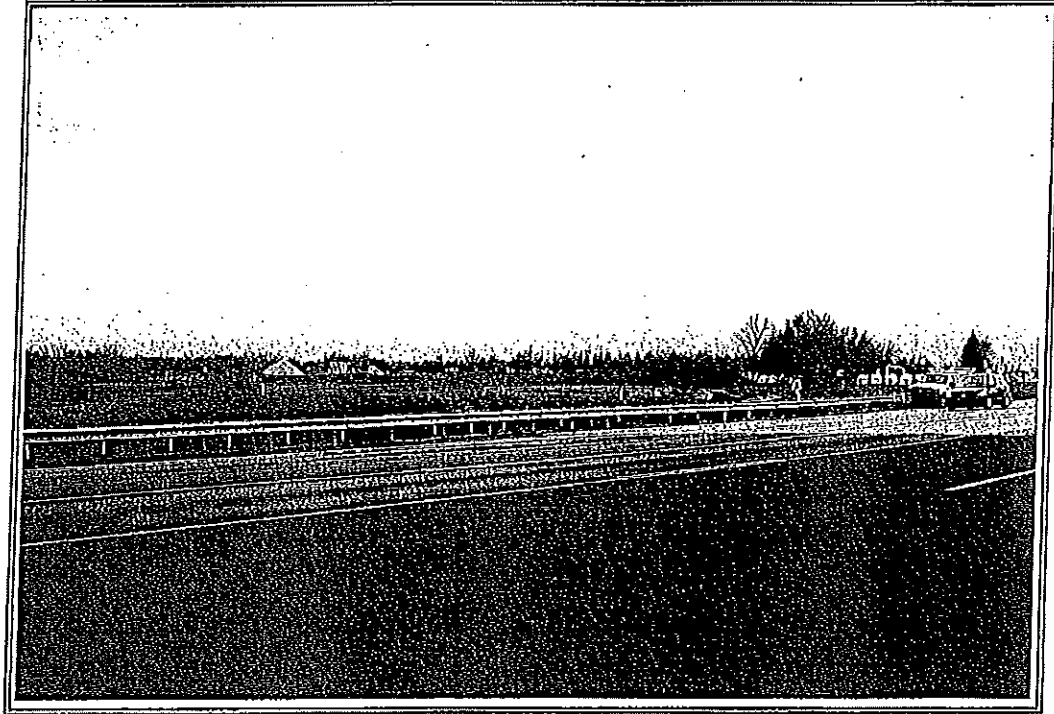
**COMPARABLE SALE SIX, Continued**

ranging from \$67 up to \$70 million. Due to a potential conflict of interest, the State rebid the property in June 2003. At this point a total of five bids were received with the highest coming in at \$76.7 million. After reviewing the bids, the State accepted the offer made by Grand Sakwa Property for \$76,000,001. The winning bidder then had until the middle of September 2003 to complete a due diligence study on the property. Following completion of theirs, Grand Sakwa notified the State they were not satisfied with the result of their study. Grand Sakwa having withdrawn, the State negotiated a deal with REI for 76.5 million. Ultimately, REI decided not to proceed with the acquisition.

The site was put up for bid again in 2004. Once again, REI was the winning bidder. This time their high bid was \$55 million. However, the Township rejected REI's development plans on the basis that residential density was too high, the space attributed to commercial development was too high, the open space network of the plan was not adequately cohesive, and the land donation to the Township was in an undesirable location. Eventually, this deal also fell through.

The ultimate price paid reflects the uncertainty of those uses that are likely to be permitted on the site by Northville Township.

**COMPARABLE SALE SEVEN**



**PROPERTY DESCRIPTION:**

**LOCATION:** Located on the west side of Groesbeck Highway, south of Cass Avenue, within Clinton Township, Michigan. This location is directly across the street from the City of Mount Clemens.

**PARCEL NUMBER(S):** 11-15-176-007

**SITE CHARACTERISTICS**

**SITE SIZE:** 25.37<sup>±</sup> acres

**FRONTAGE:** Approximately 718.7<sup>±</sup> feet along the west side of Groesbeck Highway.

**ZONING:** B-3, General Business. Rezoned from R-3, Residential to permit

**COMPARABLE SALE SEVEN, Continued**

development.

UTILITIES: All utilities available

TOPOGRAPHY: Mildly rolling terrain.

INTENDED USE: Development of a new Meijer's retail location.

SITE COMMENTS: The site was previously part of a 102<sup>+</sup> acre golf course known as Moravian Hills County Club. The golf course operation was closed and the parcel was split into five (5) smaller parcels. The other splits were re-zoned B-3 like the subject. Approximately 30.13 acres was acquired by Clinton Township, but the remainder of the former golf course remains unsold and available.

**SALES DATA:**

DATE: February 1, 2007

SALES PRICE: \$5,200,850

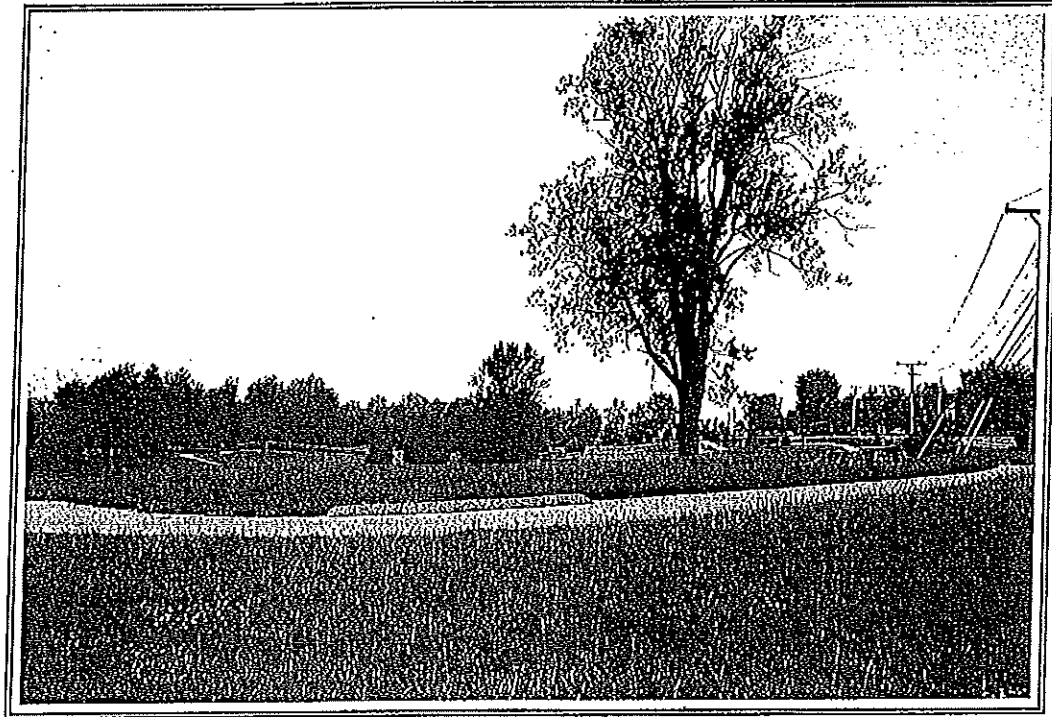
BUYER: Meijer, Inc.

SELLER: Moravian Hills Country Club, LLC

DATA SOURCE: Warranty Deed, Liber 18515, Page 590, Macomb County Records

UNIT RATE: \$204,964<sup>+</sup> per acre

### COMPARABLE SALE EIGHT



#### PROPERTY DESCRIPTION:

**LOCATION:** Partridge Creek Golf Course  
43843 Romeo Plank Road, Clinton Township, Michigan. Located on the south side of M-59, and the west side of Romeo Plank Road, with Clinton Township, Macomb County, Michigan. Formerly known as the Partridge Creek Golf Course.

**PARCEL NUMBER(S):** N/A

#### SITE CHARACTERISTICS

**SITE SIZE:** 103.89<sup>±</sup> acres, One-Family Development  
35.51<sup>±</sup> acres, Multi-Family High Rise  
123.11<sup>±</sup> acres, Multi-Family Low Rise  
73.91<sup>±</sup> acres, Regional Business  
332.29<sup>±</sup> acres, Total Area

**COMPARABLE SALE EIGHT, Continued**

The developer has received site plan approval for both a Commercial Retail Development, and a Single Family Subdivision. According to these plans, 117.86<sup>±</sup> acres of land is attributed to the single family subdivision, and 53.85<sup>±</sup> acres is attributed to the retail development. It is important to keep in mind when using this sale for comparison purposes, that the price paid reflects what the purchaser believed was obtainable at the time of the transaction.

**FRONTAGE:** 2,063.23 feet along the west side of Romeo Plank, and 1,072.45<sup>±</sup> feet along the south side of M-59 (Hall Road).

**ZONING:** Prior to the acquisition, the purchaser applied for and received zoning approval for Single Family Residential Development, Low Rise Multiple Family, High Rise Multiple Family, and Commercial Development. As of October 18, 2003, 103.89<sup>±</sup> acres had been zoned R-4, Single Family Residential. 35.51<sup>±</sup> acres had been zoned RMH, Multiple Family High Rise. 123.11<sup>±</sup> acres had been zoned RML, Multiple Family Low Rise. Lastly, 69.78<sup>±</sup> acres had been zoned B-4, Regional Business.

**UTILITIES:** All utilities available

**TOPOGRAPHY:** The site includes flat as well as slightly rolling portions. The site has some open creeks and drains.

**FLOODPLAIN/WETLANDS:** According to site plans found at the Clinton Township, the site has 54.19<sup>±</sup> acres of floodplain. Other sources have indicated floodplain to be as much as 58.92<sup>±</sup> acres.

**INTENDED USE:** The purchaser is developing the site with a mixed use development. Site plans have already been submitted and approved for a 360 lot single family residential subdivision, and a large outdoor Fashion Mall built on 53.848 acres. Additional development, for which plans have not yet been submitted, will likely include a high rise senior apartment building, and numerous attached condominium units.

The old Partridge Creek Golf Course clubhouse has been sold to an Italian cultural group, who will operate the clubhouse as a banquet center. The cultural group purchased only the improvements, and leases the underlying land (6.71<sup>±</sup> acres) from the developer.

**COMPARABLE SALE EIGHT, Continued**

**SALES DATA:**

**DATE:** October 6, 2002, purchase agreement date. Subsequent amendments were added. Due to the due diligence period, the closing transpired on June 16, 2004.

**SALES PRICE:** \$30,650,000, vacant lands, allocated from total sales price.  
\$ 4,000,000, banquet facility, liquor license, and other, allocated.  
**\$34,650,000, Total Purchase Price.**

**CONDITIONS:** Arms length. The sale was contingent on obtaining re-zoning, and other due diligence issues. The purchaser applied for and received re-zoning on October 18, 2003.

**BUYER:** Partridge Creek Golf Course LLC, Hall Road Multi Family LLC, and Hall Road Commercial LLC, et. al. (The purchasers are reported to have included John Carlo, Graham Orley (Elro Company), and Biltmore Homes).

**SELLER(S):** Joel & Carol Matthews, M & L Enterprises, TBJ Enterprises, RCJ Associates, and Matthews Associates.

**DATA SOURCE:** Municipal records, confidential sources, and others appraisers.

**UNIT RATE:** \$104,276<sup>±</sup> per acre (based on 332.29 acres and \$34,650,000.)  
\$ 94,140<sup>±</sup> per acre (based on 325.58 acres and \$30,650,000.)

**COMMENT:** In January 2004, the purchaser of this property entered into a purchase agreement to sell a 55<sup>±</sup> acre parcel of commercial land zoned B-4, Community Business to The Taubman Company. The indicated price paid was \$14,200,000, or \$258,182 per acre. Municipal records indicate a price of \$14,500,243, with a date of 9/30/2005. The purchaser is currently constructing a "life style" shopping center on the parcel. Anchor tenants include Nordstroms and Perislan. This parcel includes 1,271 feet of frontage on Hall Road and extends to a maximum depth of 1,277 feet. The site increases in width beginning at a point 400 feet south of Hall Road. This parcel is part of Sidwell # 16-11-05-100-027.

COMPARABLE SALE NINE



PROPERTY DESCRIPTION:

LOCATION: Located on the north side of Elizabeth Lake Road, and the east side of Telegraph Road, within the City of Pontiac, Michigan.

PARCEL NUMBER(S): 14-19-351-009

SITE CHARACTERISTICS

SITE SIZE: 215<sup>±</sup> acres

FRONTAGE: Extensive frontage along Elizabeth Lake Road. The property has an access drive from Telegraph Road.

SCHOOL DISTRICT: Pontiac School District

**COMPARABLE SALE NINE, Continued**

**ZONING:** MUD, Mixed Use Development

**UTILITIES:** All utilities available

**TOPOGRAPHY:** Generally level and near road grade.

**INTENDED USE:** The purchaser is developing the site with approximately 670 residential units, within 134<sup>±</sup> acres, and 81<sup>±</sup> acres of technology park. The residential units will consist of 267 single family homes, 265 attached townhouses and 138 stacked condominiums. Approval of the site plan was granted on July 24, 2001. The developer intends to construct 150 to 175 units each year.

**SITE COMMENTS:** The northeastern boundary of the site is located adjacent to a railroad corridor. Residential lots adjacent to this corridor will be buffered by landscaping.

The parcel was previously part of the Clinton Valley Psychiatric Hospital. The hospital was recently closed and demolished. The State of Michigan transferred ownership to the City of Pontiac, when zoning was changed from R-1 to MUD.

**SALES DATA:**

**DATE:** January, 2002

**SALES PRICE:** \$10,200,000

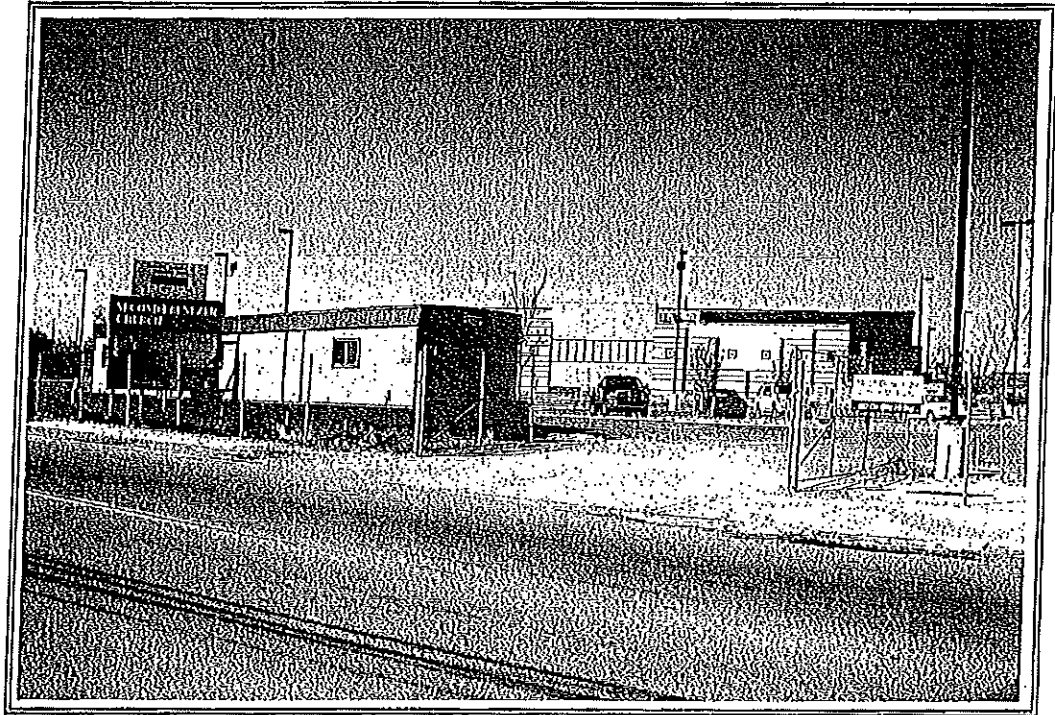
**BUYER:** Eltel Associates, Inc. (Walter Cohen)

**SELLER:** City of Pontiac

**DATA SOURCE:** Representatives from the City of Pontiac plus a 2nd source.

**UNIT RATE:** \$47,442<sup>±</sup> per acre

COMPARABLE SALE TEN



PROPERTY DESCRIPTION:

LOCATION: Located on the west side of Dequindre south of McNichols, within the City of Detroit, Michigan. Also located along the east side of Interstate 75 and the north side of a railroad corridor.

PARCEL NUMBER(S): Ward 9, Item 16971

SITE CHARACTERISTICS

SITE SIZE: 15.24<sup>±</sup> acres

ZONING: M-4, Intensive Industrial

UTILITIES: All available

**COMPARABLE SALE TEN, Continued**

TOPOGRAPHY: Generally level and near road grade.

INTENDED USE: Development of a new church.

COMMENTS: At the time of sale, the property was improved with a 45,127<sup>±</sup> square foot industrial building. The buyer reportedly intends to demolish this structure.

**SALE DATA:**

DATE: April 18, 2004

SALES PRICE: \$1,500,000

CONDITIONS: Arms length

BUYER: Sebco Holdings, LLC

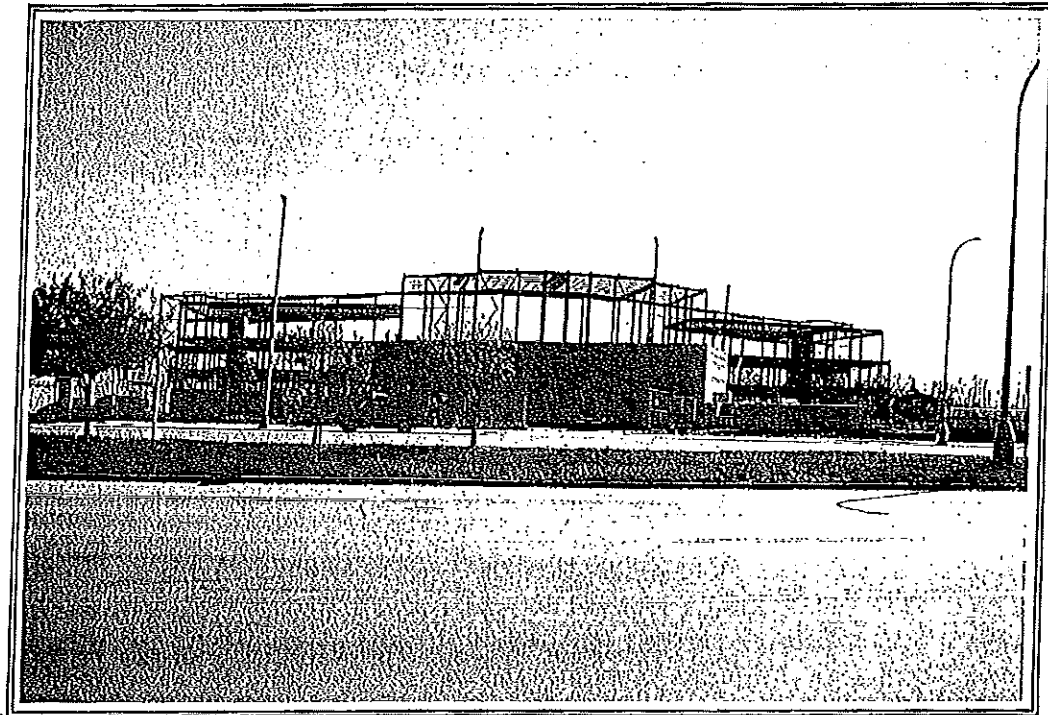
SELLER: Detroit Leasing, Inc.

DATA SOURCE: Municipal records, Warranty Deed, Liber 41358, Page 857, Wayne County Records. The buying and selling broker (Andary Real Estate 313-866-5670) was completely uncooperative and unwilling to offer confirmation and answer questions. As a result, the legitimacy of this comparable is fostered only by the indicated Warranty Deed and CoStar.

UNIT RATE: \$98,425<sup>±</sup> per acre

COMMENTS: The property was reportedly on the market for 2 years.

### COMPARABLE SALE ELEVEN



#### PROPERTY DESCRIPTION:

**LOCATION:** Several parcels located on the east side of Woodward Avenue, immediately north of Seven Mile Road, within the City of Detroit, Wayne County, Michigan. Also located on the west side of Bauman Avenue. This location is approximately ¼ mile south of the State Fairgrounds site.

**PARCEL NUMBER(S):** (Numerous)

#### SITE CHARACTERISTICS

**SITE SIZE:** 12<sup>+</sup> acres, including alley and road right-of-way, which will be abandoned when complete assemblage is made. Prior to assembling the right-of-way, the parcel consisted of approximately 9.5<sup>+</sup> acres.

**COMPARABLE SALE ELEVEN, Continued**

ZONING: Includes B-4, PD, M-2 and R-2 zoning classifications.

UTILITIES: All available

TOPOGRAPHY: Generally level and near road grade.

INTENDED USE: Purchaser is assembling parcel to create a site large enough for a new church facility. The church will relocate their headquarters from its existing location on Nevada in Detroit, to this new location south of the State Fairground. In conjunction with this development, the church is also acquiring the land to the north and to the east to eliminate blight and redevelop the area with newer homes.

COMMENTS: The church has already acquired well over 100 tax parcel numbers.

**SALE DATA:**

DATE: Approximately January 2003

SALES PRICE: \$3,750,000  
The seller was originally looking for between \$4.25 and \$4.5 million, however the church backed away on the grounds they did not have the funds. CoStar indicates a price of \$5,200,000.

CONDITIONS: Arms length

BUYER: Perfecting Church

SELLER: PPM Management, Inc.

DATA SOURCE: Seller (George Nyman 248-649-6320) as to price paid. Buyer as to intent of development.

UNIT RATE: \$312,500<sup>±</sup> per acre, based on 12 acres.  
\$394,737<sup>±</sup> per acre, based on 9.5 acres.

The purchaser was also likely responsible for the demolition costs of several residential homes.

**COMPARABLE SALE ELEVEN, Continued**

**COMMENTS:**

CoStar indicates a price of \$5,200,000 was paid to this purchaser for 19.25<sup>±</sup> acres. This price represents a unit rate of \$270,130<sup>±</sup> per acre.

As previously mentioned, Perfecting Church has been acquiring numerous parcels in this area in an attempt to eliminate blight and redevelop the area with newer residential homes. A large number of sales relating to these acquisitions was found recorded with the Wayne County Register of Deeds. The majority of these deeds pertained to single sites, some of which included improvements of various condition. Prices paid for vacant parcels, which were typically approximately 0.07<sup>±</sup> acres in size, were between \$7,900 and \$10,000. For those improved parcels, the purchaser paid additional to account for the contributory value of the improvements. Based on the vacant residential parcel sales, a unit rate range of between \$65,000 and \$115,000 per acre was observed. Minor changes in site size did not appear to impact those prices paid.

**DIRECT SALES COMPARISON APPROACH, Continued**

Provided below is a summary chart illustrating those comparables which have been identified.

SUMMARY OF COMPARABLES					
NO.	SITE SIZE (ACRES)	SALE DATE	SALE PRICE	TYPE OF USE	UNIT RATE (PER ACRE)
1	34.9 <sup>+</sup>	4/18/2000	\$6,000,000	Retail Center, The Shoppes at Gateway JC Pennys	\$171,920 <sup>+</sup>
2	311.36	4/18/05	n/a <sup>4</sup>	Single-Family Multiple-family Commercial Parkland	\$54,447 <sup>+</sup>
3	36.00	5/24/04	\$12,000,000	Part of a larger site that includes Retail Use Entertainment Office Hotels	\$333,000
4	160.80	10/2/03	\$21,690,855	Racetrack Research & Development Entertainment Facility	\$134,893
5	42.93	10/2/03	\$5,815,530	Racetrack Research & Development Entertainment Facility	\$135,465
6	422.62 <sup>+</sup>	9/29/05	\$31,500,000	Single-Family Multiple-Family Commercial Office Open-space	\$74,535
7	25.37 <sup>+</sup>	2/1/07	\$5,200,850	Meijer Retail Store	\$204,964

<sup>4</sup> This sale price for this acquisition is closely held and not available for disclosure.

### DIRECT SALES COMPARISON APPROACH, Continued

NO.	SITE SIZE (ACRES)	SALE DATE	SALE PRICE	TYPE OF USE	UNIT RATE (PER ACRE)
8	332.29	6/16/04	\$34,650,000 <sup>5</sup> \$30,650,000	Single-Family Multiple-family Commercial	\$104,276 \$ 94,140
8-a	55 <sup>±</sup>	7/2005	\$14,200,000	"Life Style" Retail Center	\$258,182
9	215 <sup>±</sup>	1/24/02	\$10,200,000	Single-Family Multiple-Family Industrial	\$47,422
10	15.24 <sup>±</sup>	4/18/04	\$1,500,000	Future Church Site	\$98,425 <sup>±</sup>
11	12 <sup>±</sup>	1/03	\$3,750,000	Sanctuary / Office Parking Structure Residential Redevelopment	\$312,500 <sup>±</sup>

The sales provided above are a representative sampling of land transactions involving large acreage commercial and multiple use properties that have occurred in Southeast Michigan during the past few years. A lack of large acreage commercial sales was found following the year 2005. This is primarily due to soft economic conditions currently experienced throughout the metropolitan Detroit area as well as the State of Michigan as a whole. A larger number of current listings of large parcels of commercial land were found. The chart below summarizes a few of these listings.

COMPARABLE LISTINGS			
Location	Site Size	Asking Price	Unit Rate
I-75 & Sashabaw, Independence Twp.	67 acres	\$20,000,000	\$298,507
Lapeer Rd. @ Brown, Orion Twp.	100 acres	\$30,492,000	\$304,920

<sup>5</sup> Included within the sale price was a consideration of \$4 million for a banquet facility, liquor license, and other items.

**DIRECT SALES COMPARISON APPROACH, Continued**

<b>Location</b>	<b>Site Size</b>	<b>Asking Price</b>	<b>Unit Rate</b>
Haggerty Road & I-94, Van Buren Twp.	360 acres	\$42,000,000	\$116,667
Shelby Parkway, Shelby Twp.	45 acres	\$13,500,000	\$300,000
12 Mile & Drake, Farmington Hills	35.31 acres	\$15,000,000	\$424,809
I-94 & Belleville Rd., Van Buren Twp.	25.75 acres	\$1,802,500	\$70,000
24 Mile & Van Dyke, Shelby Twp.	60 acres	\$12,000,000	\$200,000
5 Mile & I-275, Northville Twp.	18.44 acres	\$7,000,000	\$379,610
24 Mile & Gratiot, Chesterfield Twp.	25 acres	\$5,625,000	\$225,000
SWC Pennsylvania & Racho, Brownstown Twp.	28.70 acres	\$4,000,000	\$139,373
Chesterfield Towne Center, Chesterfield Twp.	30 acres	\$10,454,400	\$348,480
Richardson @ Union Lake, Commerce Twp.	15.68 acres	\$5,000,000	\$318,878
26 Mile & North, Macomb Twp.	40 acres	\$5,227,200	\$130,680
13 Mile & Novi, Novi	23 acres	\$10,000,000	\$434,783
6201 Wyoming, Dearborn	14.00 acres	\$3,150,000	\$225,000
7 Mile and W. Outer Drive, Detroit	2.70 acres	\$995,000	\$368,519
SEC 8 Mile & Telegraph, Detroit	48.00 acres 9 acres, usable	\$3,500,000	\$72,917 \$388,889

### DIRECT SALES COMPARISON APPROACH, Continued

Comparable Sale 1 pertains to what is now more commonly known as The Shoppes at Gateway Park, currently a planned lifestyle center at the southeast corner of Woodward Avenue and 8 Mile Road, adjacent to the State Fairgrounds. On April 18, 2000, a purchase agreement was signed between the State of Michigan and the State Fair Development Group, LLC, where the State was to sell 34.9<sup>±</sup> acres for \$6,000,000, or \$171,920<sup>±</sup> per acre. Prior to closing, some information came to light that the purchaser had planned to turn around and sell the property to the Detroit School District. Subsequently, several lawsuits were filed. In the end, a new grantee to the purchase agreement was assigned. Although both Wayne County and the City of Detroit do not show this property as having transferred ownership, a representative of the seller has indicated the transfer took place sometime around January 2006.

In comparison to the subject, a few points are made. The first item to be discussed is the date of the original purchase agreement, which was April of 2000. Since this date market prices drifted upward through September 11, 2001. As a result of this day's events, market activity slowed indicating no appreciation until the market appeared to stabilize in 2002. Since 2003, the region has experienced an economic downturn. This downturn has resulted in slower sales activity and lower prices.

This comparable is also recognized as being a smaller site than the subject. Historically, smaller sized sites have sold at higher unit rates due to the shorter time period necessary for the absorption of development. In this instance, a downward adjustment is considered necessary to reflect the subject's larger 163.25<sup>±</sup> acre land area.

Another consideration analyzed pertains to the density of development possible for the comparables versus the subject. Due to the comparables corner location and smaller size, the commercial use planned provides a more intensive use than is likely to be possible for the subject. The subject's highest and best use is considered a mixed use development that includes retail, office and some form of residential use. Because the accumulative effect of the uses provides for a lower overall density than the comparables, a downward adjustment is necessary.

In summary, market conditions have softened since the date of the comparable's purchase agreement. This factor combined with the subject's size and fluid development potential requires that a significant downward adjustment be made.

Sale # 2 pertains to a 311.36<sup>±</sup> acre tract of land located in the City of Warren, Michigan. Prior to the sale, the site had been owned by General Motors Corporation as a land reserve for future expansion of their Technical Center, or as a potential location for their headquarters.

Although the sale of the property transpired April 18, 2005, the actual agreement to acquire the property occurred approximately two years earlier. The interval of time was the result of the purchaser completing their due diligence. Included amongst the issues that had to be resolved was the re-zoning of the property. Reportedly, effective as of the date of the purchase offer, the site was

### DIRECT SALES COMPARISON APPROACH, Continued

zoned, M-2, Industrial. The purchaser proposed to the City that the site be developed under a PUD plan that ultimately was approved.

A direct comparison of this sale to that of the subject cannot be provided due to the confidentiality that exists related to the actual price paid to General Motors. Those readers that independently search out the Property Transfer Affidavits are cautioned that the dollar amounts provided on these documents fail to include an accurate portrayal as to what was actually paid. In addition to the amounts shown, the seller has also received Assignment Fees significantly in excess of those indicated on the Transfer Affidavits. As a result, it is anticipated that the actual price paid exceeds \$100,000 per acre.

Comparable # 3 is a smaller parcel of land than the subject and contains 36<sup>+</sup> acres. This property is located at the northeast corner of Outer Drive and the Southfield Freeway (M-39) and is within the City of Allen Park, Michigan. The site is part of a larger site containing 243<sup>+</sup> acres, which permits retail, entertainment, hotels, and office type uses. The smaller size in conjunction with a superior location, indicate a significant downward adjustment is necessary.

Sales 4 and 5 represent the assemblage of two parcels of land located along Smith, Wick and Venoy Roads, within the City of Romulus. The purchaser of these sites acquired the property with the intent of constructing a horse racetrack, a research and development facility, and an entertainment facility. Both sites are zoned RC, Regional Center which is an intensive zoning. In recent years, a similar racetrack use was proposed for the subject property, but was eventually knocked down as the result of a strong negative public outcry. The size of the comparables is very similar to the subject, however the location and intended use is considered superior. A downward adjustment has been made.

Land Comparable Number 6 pertains to the former Northville Psychiatric Hospital property, located at the southwest corner of Seven Mile and Haggerty Roads within Northville Township. This location is approximately ½ mile west of the Seven Mile / I-275 interchange. Development of the comparable was likely to include a combination of single-family, multiple-family, office and retail uses, with the majority of development being residential in nature.

Originally, the property was put up for bid in 2003. Bids were received at approximately \$70,000,000. It was around this same time that the housing market was coming to a halt. Eventually, the accepted bidder backed out of the deal. The following year the property was once again put up for bid, at which time the winning bidder bid \$55,000,000. After the community rejected the buyers proposed plans for the site, the deal once again failed to occur. Finally the property sold in 2005 for \$31,500,000 to the same buyer who had backed out in the previous year. The price paid for this property reflects a combination of factors that includes zoning uncertainty, the cost of building demolitions, and environmental contamination and its potential cleanup cost.

### DIRECT SALES COMPARISON APPROACH, Continued

In comparing this property to the subject, the comparables location is considered superior to the subjects. On the other hand, development of the subject would likely include a more intensive use. Overall, the adjustments somewhat offset each other, resulting in no need for an adjustment.

Comparable # 7 pertains to a portion of the site of the former Moravian Hills Country Club in Clinton Township, Macomb County. The property is accessed from the west side of Groesbeck Highway. The eastern side of Groesbeck Highway is the corporate boundary of the City of Mt. Clemens, the county seat of Macomb County.

The former golf 18-hole golf course consisted of just over 100 acres, but was split into 5 parcels of generally similar size. Four of the parcels were zoned commercial, including a 30<sup>±</sup> acre site picked up by Clinton Township along the Clinton River. Meijer's acquired a 25.37 parcel, with the intent of constructing a new retail center. Approximately 28<sup>±</sup> acres of the former golf course site have been rezoned for Multiple Family development. As of the date of this valuation, there were no other known acquisitions of the site. The comparables location, size and use require a downward adjustment be made.

Sale # 8 pertains to the Partridge Creek Golf Course located in Clinton Township, Michigan. This property extends 1,072<sup>±</sup> feet along the south side of Hall Road (M-59), and another 2,063<sup>±</sup> feet along the west side of Romeo Plank. Irregular in shape, the property contains 332.29<sup>±</sup> acres. Township site plans and other sources indicate that the property contains between 54 and 59 acres of 100 year flood plain. Some of this land area is undoubtedly wetlands. However, a wetlands survey has not been made available for my review.

On October 6, 2002, the purchasers entered into an agreement to acquire this property. Due to due diligence issues, subsequent amendments were added. Ultimately, the closing transpired on June 16, 2004 for \$34,500,000. Included within the acquisition was a banquet facility, liquor license, and other physical improvements. An allocation of \$4,000,000 has been made for these items, resulting in a contributory land value for the balance of the property at \$30,650,000. Abstracted from this adjusted price is an unadjusted unit rate at \$94,140 per acre. A slight downward adjustment is appropriate considering the comparables superior location.

One of the contingencies of the sale required that the property be rezoned. Prior to the actual closing, the purchaser applied for and received zoning approval for Single Family Residential Development, Low Rise Multiple Family, High Rise Multiple Family, and Commercial Development. As a result, 103.89<sup>±</sup> acres have been zoned R-4 -- Single Family Residential, 35.51<sup>±</sup> acres zoned RMH -- Multiple Family High Rise, 123.11<sup>±</sup> acres -- RML, Multiple Family Low Rise, and lastly 69.78<sup>±</sup> acres zoned B-4 -- Regional Business. In January of 2004 the Taubman Company entered into a purchase agreement to acquire 55<sup>±</sup> acres of the business zoned land for \$14,200,000. This purchaser intends to construct a "life style" shopping center on the property. The location of the comparable is considered significantly better than the subjects. In addition, a downward adjustment is necessary for

### DIRECT SALES COMPARISON APPROACH, Continued

site size and intensity of use.

Sale # 9 pertains to the former Clinton Valley Psychiatric Hospital property that extends along the north side of Elizabeth Lake Road, in the City of Pontiac, Michigan. This property was sold in January of 2002 for \$10,200,000, or \$47,442 per acre. In conjunction with the sale, the site was rezoned from residential to a Mixed Use Development classification. The purchaser's intent was to develop approximately 670 residential units on 134<sup>±</sup> acres, and provide for another 81<sup>±</sup> acres of technology park.

The sale of the former Clinton Valley Center was one of the older used in this analysis. Although property values in recent years have remained somewhat stagnant, with exceptions in both directions, for a short time after the purchase of the Clinton Valley Center land values generally speaking continued to rise. As a result, unlike the remainder of the comparables, reason for an upward adjustment for date of sale is considered appropriate. Furthermore, the planned development of this comparable was to include residential and developmental technology park. As a result, the intensity of use of the subject property is considered slightly superior.

Land Sale Number 10 is located within the City of Detroit, on the west side of Dequindre, south of McNichols. The comparable is zoned M-4, Intensive Industrial, and was utilized to provide evidence as to the value of the subject's smaller parcels. Reportedly, a 15.24 acre site was sold to Sebco Holding, LLC on April 8, 2004. The purchaser demolished the existing structure and improved the site with a church. No one was available for comment regarding this sale, however, it is believed the purchaser paid for the contributory value of the improvements. The price paid for the site was \$1,500,000, which results in a unit rate of \$98,433<sup>±</sup> per acre. The south side of the site has railroad corridor frontage. The subject's location is considered superior. However, the contributory value of the improvements is unknown, making any adjustments difficult. As a result, little weight is given to this comparable.

The final comparable, Land Sale Number 11 pertains to numerous smaller sites immediately south of the subject being assembled by Perfecting Church. The church groups plans include constructing a new church/sanctuary, offices and a parking garage. The site area attributed to the above development reportedly contains approximately 16<sup>±</sup> acres, according to church officials. However, in addition to the above, the church has also been acquiring multiple parcels as far north as nearly to the State Fairgrounds site and as far east as Charleston. In fact, the area in which the Church is acquiring parcel is nearly as large as the State Fairgrounds itself. However, the Church does not appear to be acquiring all of the parcel in this area. Those parcels being acquired outside the designated future church site as being acquired to eliminate blight and redevelop the parcel with newer residential homes in an effort to clean up the neighborhood.

Land Sale Number 11 itself pertains to the acquisition of 12<sup>±</sup> acres, when accounting for alleys and road right-of-way. According to the seller, a price of \$3,750,000 was negotiated after the buyer

### DIRECT SALES COMPARISON APPROACH, Continued

indicated they had a limited budget. Some of the parcels within the transaction were reportedly improved with older residential home, which the buyer intended to demolish. Abstracted from the transaction was a unit rate of \$312,500<sup>+</sup> per acre. Due to the size of the site and the presence of improvements contributing value in excess of the vacant land, a large downward adjustment is considered necessary.

A search for Perfecting Church related sales was made, resulting in the finding of several additional recent transactions in this area. From this data, it appears that the Church was willing to pay for the contributory value of any existing improvements, beyond that of the vacant land. Those vacant parcels appears to have been acquired for between \$7,900 and \$10,000, and were typically 3,000<sup>+</sup> square feet in size. A unit rate averaging approximately \$100,000 per acre was observed for those vacant sites.

### CONCLUSION OF VALUE

Because the acreage amounts allocated to the various uses are fluid requiring speculation, the value of the appraised property cannot be refined with any great precision. As a result, the necessity exists that qualitative adjustments be utilized instead of quantitative. The following table illustrates those adjustments made to each of the comparables utilized.

COMPARABLE NO.	UNADJUSTED UNIT RATE	ADJUSTMENT DIRECTION
1	\$171,920 <sup>+</sup>	<<
2	N/A	N/A
3	\$333,000	<<<<
4	\$134,893	<
5	\$135,465	<
6	\$74,535	=
7	\$204,964	<<<
8	\$94,140	<
8a	\$258,182	<<<
9	\$47,422	>

**DIRECT SALES COMPARISON APPROACH, Continued**

COMPARABLE NO.	UNADJUSTED UNIT RATE	ADJUSTMENT DIRECTION
10	\$98,425 <sup>±</sup>	N/A
11	\$312,500 <sup>±</sup>	<<<<

After making adjustment for differences between the comparables and the subject, a range in unit rates of from \$70,000 to \$90,000 per acre emerged pertaining solely to the 154.32<sup>±</sup> acres of the subject located north of State Fair Avenue and west of the railroad corridor. Based on this range, a range in value of from \$10,802,400 to \$13,888,800 is implied. Necessary to be added is the contributory value of the smaller parcels, containing 5.78<sup>±</sup> and 1.17<sup>±</sup> acres, respectively. Based on a combination of Comparables 9 and 10, the value of these smaller parcels is estimated at approximately \$25,000 per acre. As a result, the estimated value of these sites is \$115,600 and \$23,400, respectively. Adding these values to the previously declared range in value of the larger parcel results in a total value range of \$10,941,400 to \$14,027,800.

Another property which has not been previously discussed, but considered of merit for this analysis pertains to the City of Detroit's attempt to sell Rackham Golf Course. This property contains 123<sup>±</sup> acres located on the north side of Ten Mile Road, in the City of Huntington Woods, Oakland County, Michigan. The site is bounded on the east by the Detroit Zoo and on the west by Scotia Road.

The City of Detroit acquired the property a number of decades ago via a gift donation. In acquiring the golf course, a deed restriction was placed on the property requiring that it remain a golf course. In other words, neither the City of Detroit, or any other potential owners are permitted to redevelop the site to another use. In an attempt to raise monies to help pay the City of Detroit's Budget deficit, the property was offered for sale on the market. The City of Detroit has been attempting to sell the property as if the deed restriction was not legal. Three different bids were submitted to purchase the property. Premium Golf LLC was the high bidder, offering \$11.25 million<sup>6</sup>, whereas, the City of Huntington Woods was the low bidder at \$6.25 million<sup>7</sup>.

In October of 2006, Oakland Circuit Judge Rae lee Chabot ruled that the City of Detroit must sell the property as a golf course as stated in the deed restriction. As a result of this ruling, Premium Golf LLC withdrew its offer to purchase the property. In recently, in May of 2007, the City of Huntington Woods offered the City of Detroit \$4.91 million to take the property off of its hands.

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<sup>6</sup> This bid was at \$91,463 per acre.

<sup>7</sup> This bid was at \$50,813 per acre.

### DIRECT SALES COMPARISON APPROACH, Continued

dollar amount was the result of having had the property appraised as a golf course.

The significance of the Rackham Golf Course activity is that it reflects recent activity for a large property located within approximately two miles of the appraised subject. Although the intensity of development planned for the site was lower than that likely to occur for the subject. This comparable's location is significantly superior to that of the State Fair Grounds, requiring a downward adjustment. Factoring the unit rate offered by Premium Golf LLC for Rackham Golf Club against the State Fair Grounds land area of 161.27<sup>±</sup> acres, results in an unadjusted dollar amount at \$14,750,000. The value of the subject site is considered to be lower than this amount.

As a mixed use development, included amongst the uses considered likely for the site are commercial, perhaps some type of entertainment venue, and various types of residential. Each of these type end users pay different prices. By example, if the subject site were to include approximately 35<sup>±</sup> acres of commercial lands, this acreage is estimated to carry a market value at \$165,000<sup>±</sup> per acre. As for the residential component, the assumption is made that these lands have a market value approximating \$45,000 per acre, assuming a land area in the range of 60<sup>±</sup> acres. Finally, the entertainment component of the property is believed to have a contributory value approximating \$75,000 per acre.

The definition of market value requires appraisers to estimate market value based on, "*most probable price*". Within the context of this definition, the value selected as representative of the subject falls towards the mid or a probable range of value. Customarily, appraisal conclusions are rounded to reflect the lack of precision associated with value opinions. Traditionally, a value estimate is reported as a single dollar amount called a *point estimate*. Based on my analysis, it appears that the value of entire site effective April 10, 2007, is as follows:

VALUE VIA SALES COMPARISON APPROACH ----- \$13,000,000

**FINAL RECONCILIATION AND CONCLUSION OF VALUE**

The final step in the appraisal process is the correlation of the various approaches to value which have been presented into a single indication of value. Utilized to conclude this valuation was the direct sales comparison approach to value. Due to the subject being vacant land, neither the cost nor income approaches to value have been utilized, and no further reconciliation is necessary. Based upon the analysis conducted, it is my opinion that the market value of the subject property, effective April 10, 2007, is as follows:

**ESTIMATED MARKET VALUE-----\$13,000,000**

### EXPOSURE TIME

The following definition pertaining to Exposure Time has been utilized in the development of this real property appraisal.

*"The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.*

*Exposure time is different from various types of real estate and under various market conditions. It is noted that the overall concept of reasonable exposure encompasses not only adequate, sufficient, and reasonable time, but also adequate, sufficient, and reasonable effort."*<sup>8</sup>

The reasonable exposure period is a function of price, time and use, not an isolated estimate of time alone. As an example, a parcel of vacant land could have been on the market for a period of two years at a price of \$2,000,000, which reasonably informed purchasers considered unreasonable. Then the owner reduced the price to \$1,600,000 and starts to receive offers culminating in a transaction at \$1,400,000 six months latter. Under such an example, the reasonable exposure time would be six months at a value range of from \$1,400,000 to \$1,600,000.

In addition to having reviewed the exposure time for each of the comparables, this appraiser has reviewed other sales data and also conferred with various brokers. In each instance, the broker indicated a familiarity with the subject market. Based upon these interviews with market participants, plus review of historical information, it has been concluded that the reasonable exposure time for the subject would be 12<sup>+</sup> to 18<sup>+</sup> months, assuming pricing within the general range of that indicated as the subject's market value.

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<sup>8</sup> Source: Uniform Standards of Professional Appraisal Practice of the Appraisal Standards Board of the Appraisal Foundation, 2006 edition; Statement on Appraisal Standards No. 6 (SMT-6), "Reasonable Exposure Time in Market Value Estimates".

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# ADDENDUM

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### RESTRICTION UPON DISCLOSURE AND USE

Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute. As a result, both this report and its accompanying file are subject to duly authorized request on behalf of the Appraisal Institute to review this documentation.

Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected or any reference to the Appraisal Institute or the M.A.I. or R.M. designation) shall be disseminated to the public through advertising media, public relations media, new media, sales media or any other public means of communication without the prior written consent and approval of the undersigned.

By receipt and acceptance of this report, the client agrees that it shall at all times hereafter, hold harmless, defend and indemnify the appraiser, his employees and agents, and other associates from all liability, damages, loss and expense from claims asserted by others arising from this appraisal and hereby waives and releases said appraiser and aforesaid persons from any claim or liability arising from such appraisal except for acts of fraud or intentional misrepresentation.

### CERTIFICATION

The undersigned do(es) hereby certify that to the best of my (our) knowledge and belief, except as otherwise noted in this appraisal report:

I (we) have personally inspected the interior and exterior of the subject property.

I (we) have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

To the best of my (our) knowledge and belief, the statements of fact contained in this appraisal report, upon which the analysis, opinions and conclusions expressed herein are based, are true and correct.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my (our) personal, impartial and unbiased professional analyses, opinions and conclusions.

My (our) analyses, opinions and conclusions were developed, and this report has been prepared, in a manner which is intended to conform with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.

My (our) analyses, opinions and conclusions were developed, and this report has been prepared, in a manner intended to comply with the uniform Standards of Professional Appraisal Practice (USPAP).

CERTIFICATION, Continued

As of the date of this report, I (Michael E. Ellis) have completed the requirements of the continuing education program of the Appraisal Institute.

No one other than the undersigned, and Brandon L. Ellis, provided significant professional assistance to the person (s) signing this report, unless so stated. Brandon Ellis assisted in all parts of the appraisal.

No responsibility has been assumed for matters which are legal in nature, nor has any opinion on title been rendered. It is our assumption that the title is marketable.

Professional surveys pertaining to the subject property have neither been provided by the client or prepared by the appraisers. Sketches utilized in the report are included for assisting the reader in visualizing the property only.

Information furnished by others is assumed to be true, correct and reliable. A reasonable effort has been made to verify such information, however, no responsibility for its accuracy is assumed by the appraiser(s).

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

All mortgages, liens, encumbrances, leases and servitudes have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.

I (Michael E. Ellis) am licensed in the State of Michigan as a state certified real estate appraiser. My permanent identification number is 1201000723.

I (Brandon L. Ellis) am licensed in the State of Michigan as a limited real estate appraiser. My permanent identification number is 1201068791.

Due to a re-organization of the state's governmental departments, The Department of Commerce ceased to exist on Tuesday, May 14, 1996. Licensing functions are now part of the new Department of Consumer and Industry Services. Therefore, in Michigan "appraiser are required to be licensed/certified and are regulated by the Michigan Department of Labor and Economic Growth, P.O. Box 30018, Lansing, MI 48909."

CERTIFICATION, Continued

It is assumed that all of the building improvements are located within the boundaries or property lines of the property described.

Court testimony required on condemnation proceedings, if any, will require not less than thirty (30) days notice prior to such action to allow sufficient time for review.

This report does not include the valuation of oil and mineral rights, crops or commercial timber, if any, presently on the property.

It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions, or for engineering which may be necessary to discover such flaws.

The Americans with Disabilities Act (ADA) became effective January 26, 1992. I (we) have not made a specific compliance survey and analysis of the property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analyses of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since I (we) have no direct evidence relating to this issue, I (we) did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

My (our) compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

VALUE TRENDS, INC.



Michael E. Ellis, MAI  
President

May 20, 2007

# Michael E. Ellis, MAI

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48585 HAYES ROAD, SHELBY TOWNSHIP, MI 48315 (586) 247-7575 FAX (586) 247-7576

## Experience

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Has over thirty-four years of real estate appraising experience. Work assignments included both form and narrative reporting of residential and commercial property values. Prepared reports for the following functions:

- mortgage loans
- condemnation procedures
- zoning appeals
- tax appeals
- establishing appropriate bid and asking prices
- feasibility of new construction
- site selection analysis
- probate and estate proceedings
- resolving other legal matters
- setting rents and lease terms, etc.
- investment decisions
- foreclosure appraisal
- circuit court facilitator

## Education

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Bachelor of Arts, January 1972  
Northern Michigan University, Marquette, Michigan

Real Estate Finance Degree, August 1975  
Sponsored jointly by Ohio State University and the American Bankers Association

## PROFESSIONAL COURSEWORK

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### *Appraisal Institute*

- Basic Principles, Methods, and Techniques, Course 1-A
- Capitalization Theory and Techniques, Course 1-B
- Urban Properties, Course 2
- Real Estate Investment Analysis, Course 6
- Comprehensive Exam
- Going Concern Valuation Seminar
- Real Estate and Federal Income Tax Seminar
- Real Estate Risk Analysis Seminar
- Litigation Valuation Seminar
- Appraising from Blueprints and Specifications
- Using Lotus 123 in the Appraisal Office
- Computer Assisted Sales Comparison Analysis
- Appraising Troubled Properties
- Deriving Direct & Yield Capitalization Rates
- Maximizing the "Value" of an Appraisal Practice
- Standards Update
- Discounted Cash Flow Analysis
- Applied Sales Comparison Approach to Value
- Market Analysis
- Standards of Professional Practice
- Project Seminar
- Current Issues & Misconceptions in the Appraisal Process
- Argus 9.0 Software Training
- Appraisal Review - General
- Appraisal Review - Single-Family Residential
- Executive Summit on appraisal Issues
- Standards of Professional Practice, Part C
- Attacking & Defending an Appraisal in Litigation
- Banks as Users of Commercial Appraisal Services
- Architecture, Development
- Environmental Real Estate
- Michigan Laws and Rules
- Basic Appraisal procedures
- Market Analysis and the Site to Do Business
- Appraising Local Retail Properties
- Mortgage Fraud

### Professional Coursework, continued

- Analyzing Commercial Lease Clauses
- Analyzing Operating Expenses
- Business Practice and Ethics
- Effective Appraisal Writing
- Distressed Real Estate
- Various Other Courses & Seminars

*Oakland University*  
• Real Estate Institute I

- Society of Real Estate Appraisers*
- An Introduction to Appraising Real Estate, Course 101
  - Residential Case Study Exam, Course R-2
  - Narrative Report Seminar

*United States Savings and Loan League*  
• Real Estate Law I  
• Savings Association Lending I

### Professional Memberships And Affiliations

Member of the Appraisal Institute, # 7164, currently certified

State Certified General Appraiser # 1201000723

South Oakland County Board of Realtors -- Legislative Committee, 1983

Appraisal Institute, Great Lakes Chapter

- Board of Southeast Michigan Sub-Chapter of the Appraisal Institute (1993-1997)
- Chairman, Southeast Michigan Sub-Chapter of Appraisal Institute (1997)
- Board of Directors Michigan Chapter No. 10 (1990 through 1992)
- Board of Directors Great Lakes Chapter of the Appraisal Institute (1995-1997)
- National MAI Experience Subcommittee, Member (1990 through 1995)
- External Affairs Committee (1990 through 1991)
- Public Relations Subcommittee, Chairman (1990 through 1991)
- Admissions Chairman (1988 through 1989) Michigan Chapter No. 10
- MAI Admissions Committee (1986 through 1989)
- Audit Committee (1985 through 1987)
- License Committee (1987)

Rochester Hills Thoroughfare/Traffic Study Advisory Committee  
Rochester Hills LDFA Board

## Clients (Partial Listing)

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### Governmental Agencies

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- Federal Deposit Insurance Corporation (FDIC)
- Macomb Oakland Regional Center
- Madison School District
- Macomb County Circuit Court
- Michigan State University
- Oakland County
- Rochester Public Library
- Rochester School District
- RTC Approved (Real Estate Trust Corporation)
- Schoolcraft College
- St. Clair County Circuit Court
- Wayne Community Living
- University of Detroit-Mercy Law School

### Michigan Cities and Townships (Partial List)

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- Auburn Hills
- Birmingham
- Bloomfield Township
- Chesterfield Township
- China Township
- Clinton Township
- Detroit
- Eastpoint
- Groveland Township
- Harrison Township
- Marion Township
- Independence Township
- Ira Township
- Madison Heights
- Macomb Township
- Oxford Township
- Pontiac
- Ray Township
- Riley Township
- Richmond Township
- Rochester Hills
- Roseville
- Romulus
- Royal Oak
- Shelby Township
- Southfield
- St. Clair Shores
- Sterling Heights
- Taylor
- Troy
- Utica
- Washington Township

### Michigan Departments

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- Management and Budget
- Department of Treasury
- Transportation (M•DOT)
- Attorney General

### Private Enterprises (Partial List)

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- Ackerman and Ackerman P.C.
- Aegon USA Realty Advisors, Inc.
- Dave Adams and Associates
- ACO Development
- Alexander Hamilton Life Insurance
- Amelheco Realty Company
- American General Life and Accident Insurance Co.
- Anderson, Eckstein and Westrick, Inc.
- Anderson Economic Group
- Astro-Netics
- Atsalis Brothers Painting, Inc.
- Bank One, Inc.
- Avon Recreation Center
- Basey, Salesko, and Couzens
- Beaumont Hospital
- Beier Howlett, P.C.
- Ben Moore and Associates
- Beale Group
- Becker Group
- Beier Howlett
- Beztak Group
- Block's Stand and Greenhouse
- Blue Cross/Blue Shield
- Bob Brown and Associates
- Blue Cross/Blue Shield
- Buesser, Buesser, Blank, Lynch, Fryhoff & Graham
- Bud Chamberlain Properties
- Cadroy Management
- Century 21--ABI Commercial
- Charter One Bank
- Citicorp Mortgage Inc.
- City National Bank
- Clark, Hardy, Lewis, Pollard, and Page, P.C.
- Classic Carriage Auto Washes
- Cleveland Cliffs Corporation

CLIENTS CONTINUED

- Cliffview Apartments
- Comerica
- Copper Hill Estates
- Coopers Lybrand - Sigma
- Corum Group
- Cummings, McClorey,  
Davis & Ache, P.C.
- Delta Life & Annuity
- Denison Maxwell, P.C.
- Detroit Ball Bearing, Inc.
- Detroit and Northern Savings Bank
- Detroit Federal Savings
- Detroit Plaza Ltm. Partnership
- De Vlieg, Inc.
- Domino Farms Properties
- Dickerson, Wright, Moon, Van Dusen  
and Freeman
- Don Jones, C.P.A.
- Dwin - Shaffer & Company
- Emery Freight
- Empire of America
- Faith Evangelical Presbyterian
- Finkel, Whitefield, Selik, Raymond,  
Ferrara & Feldman
- Fireman's Fund (Manufacturers  
Hanover Mortgage Corporation)
- First American Title Ins.
- First Commercial Realty
- First National Bank of Marquette
- First National Bank of Mt. Clemens
- Foamaid Industries
- Forbes/Cohen
- Fox Hill Chrysler Plymouth
- Franciscan Friars of the Orders of  
Friar Minor
- Franklin Savings and Loan
- Fraser Trebilcock Davis & Dunlap, P.C.
- Nicholas Frontczak, Attorney
- Franks Nursery
- Carnago & Carnago
- Grainmark Realty
- Great Lakes Claims Service
- Gregory A. Buss, P.C.
- Hamilton Pie Company
- Hampton Inns
- Hernes Automotive, Inc.
- Hill & Devendorf, P.C.
- Hoffert, Litt and Solway
- Honigman, Miller, Schwartz and Cohn
- Household International
- Howmet Corporation
- Huntington Mortgage
- Household International
- Huntington Mortgage
- ITM Corporation
- International Union - UAW
- Johnson, Rosati, LaBarge Aseltine  
& Field, P.C.
- Kaftan Enterprises, Inc.
- Kasiborski, Ronayne & Flaska
- Kobacker Company
- Kohl, Secrest, Wardle, Lynch, Clark  
& Hampton
- Kramer, Mellen, Wagner & Ishbia
- Lakeside Auto Spa
- Lawyer's Title Insurance Co
- Lochmore Chrysler Jeep
- Lombardo Partnership
- Ludwig and Karas
- Macomb Edison Associates
- Maddin, Hauser, Wartell, Roth  
Heller & Pesses, P.C.
- Mantex Corporation
- Manufacturers Bank
- Manufacturers Hanover Mortgage  
Corporation
- Madison National Bank
- Marquette Properties
- May, Simpson & Strote
- McNabb Carpets
- Mellon Bank
- Merchants Mortgage Corporation
- Meritor Savings Bank
- Michel's Auto Washes
- Michigan Manufacturers Association
- Michigan National Bank
- Mills Products
- Monaghan, LoPrete, McDonald, Yakima,  
Grenke & McCarthy
- Mount Christies Estates & Club at Mount  
Christie
- National Millwork
- National Bank of Detroit
- National Westminster Bank USA
- Nemier, Tolari, Landry, Mazzeo  
& Johnson, P.C.
- NuBrite
- Oak Construction Company
- O'Connor and Frontczak
- Pat Moran Oldsmobile • GMC
- J.E. Olson
- P.C. Holdings, Ltd.
- Peterson, Hay and Comsa, P.C.
- Plunkett & Cooney
- Pointe Diary
- Popovic - Tracey
- Prestige Stamping Company
- Prudential Mortgage Company
- Real Estate One - Corporate
- Renaissance Investment
- Rinke Cadillac Company

CLIENTS CONTINUED

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- Irish Road Associates
- Paul Jansen
- Rochester Community Schools Credit Union
- Rochester Lodge No. 225 of the Benevolent and Protective Order of Elks
- Roeper School
- Rothenfeld Financial
- Selbert and Dloski, P.C.
- Shifman/Carlson, P.C.
- Shopping Center Markets, Inc.
- Silver Lake Golf Club
- Smith Morris Corporation
- Soo Line Railroad
- Southeast Oakland County Water
- Southern Asset Service Corporation
- Standard Federal Savings Bank
- Star Hickey Ford
- Steinhardt Pesick & Cohen
- Sterling Savings and Loan
- Stewart Title Company
- Stone and Websters, Inc.
- Swiss Air
- Teachers Insurance and Annuity Association
- Transamerica Insurance
- The Travelers Realty Investment Company
- Theodore F. Leffler, Attorney
- Thrun, Maatsch and Nordbert, P.C.
- U.A.W. (United Auto Workers)
- Union National Bank and Trust
- United Paint & Chemical Corporation
- United Savings Bank
- Variety Vendors
- Velick Properties
- Victor International
- Warren Bank
- Williams, Williams, Ruby & Plunkett
- Zervos Construction

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